National Restaurant Association

Vol. 4 ☐ No. 10 ☐ November 1984

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LITTLE PEOPLE: BIG BUSINESS

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NRA MEETINGS

Seminars

American Regional Cookery

2/5	Atlanta, GA

Simplified Baking Workshop

12/5	Las Vegas, NV
2/12	Dallas, TX

Off-Premise Catering

11/26–27	Los Angeles, CA
1/21–22	Indianapolis, IN
2/11–12	Dallas, TX

Perfecting Your Culinary Skills

12/4	Las Vegas, NV
2/19	Los Angeles, CA
2/21	Chicago, IL

Restaurant Design and Facilities Planning

2/18–19	Los Angeles, CA

Dining Room Management

11/29	Concord, NH
1/15	Frederick, MD
1/24	Pittsburgh, PA
2/12	Dallas, TX
2/13	Salt Lake City, UT
2/19	Los Angeles, CA

Food Cost Management

11/26	Nashville, TN
11/29	Seattle, WA
2/19	Columbus, OH
2/21	Long Island, NY

Kitchen Management

12/3	Jacksonville, FL
12/10	Austin, TX
12/12	Baton Rouge, LA
1/22	San Diego, CA
1/24	Reno, NV
2/13	Springfield, VA

Location! Location! Location! How to Successfully Negotiate and Finance Your New Operation

1/14–15	Los Angeles, CA

Planning & Implementing Restaurant Marketing Strategy

12/4–5	Las Vegas, NV
12/11–12	San Francisco, CA
1/22–23	Cincinnati, OH

Menu Development

11/27	Charleston, SC
12/5	Las Vegas, NV
1/24	Denver, CO

Creative Merchandising Techniques

2/27	Las Vegas, NV

Opening a Restaurant: Before You Start Cooking . . .

11/26	Orlando, FL
11/28	New Orleans, LA
2/26	Rochester, NY

Operational Analysis

2/26–27	Las Vegas, NV

The Pantry: Prep for Profit

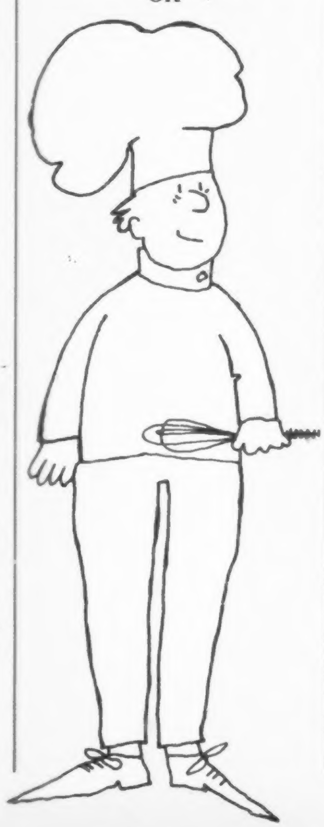
12/4	Houston, TX
2/18	Los Angeles, CA
2/20	Seattle, WA

Increasing Foodservice Productivity

11/26	Cincinnati, OH
12/11	Baltimore, MD
2/18	Los Angeles, CA

Soups and Sauces

12/12	San Francisco, CA
1/15	Los Angeles, CA
2/11	Dallas, TX
2/13	Oklahoma City, OK



Basic Supervision in Foodservice

12/4	Las Vegas, NV
1/22	Tucson, AZ
2/26	Covington, KY

Tools for Training

11/27	Burlington, VT
2/11	Dallas, TX
2/26	Springfield, MA
2/28	Baltimore, MD

Hospitality Workshops:

1/29–30	**Full Service** Boston, MA
2/6–7	**Full Service** Nashville, TN

Conferences

1/27–30	**National Management Conference for Independent Operators** New Orleans, LA
3/24–27	**National Conference on Computers in Foodservice** Las Vegas, NV

For more information, contact

NRA Education Programs
311 First Street, N.W.
Washington, DC 20001
(800) 424-5156 or
(202) 638-6100

Information on In-House Programs Available Upon Request

STUDY GROUP MEETINGS

MAECO

11/28	Denver, CO

Safety Officers

1/1985	Miami, FL

For more information on specific study groups, contact Philip Kralovec, (312) 853-2525.

NRA NEWS
Vol. 4 No. 10 November 1984

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Editorial Typists
Valerie Pines
Riley Stern

Editorial offices
and NRA headquarters
311 First Street, N.W.
Washington, DC 20001
(202) 638-6100

Chicago offices
One Park Place, Suite 2000
Chicago, IL 60601
(312) 853-2525

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PRESIDENT'S REPORT

Harris O. Machus
President and Owner
Harris O. Machus
Enterprises, Inc.
Birmingham, Michigan

NRA continues to undertake activities to support and represent your business interests and recognition for the industry as a whole. This past month, we scored some notable successes.

U.S. Culinary Team wins big

The U.S. Culinary Team won two out of three major competitions at the 1984 Culinary Olympics held last month in Frankfurt, Germany. Loin of Lamb Wyoming and Seafood Sausage Virginia—native American recipes made with native American ingredients—won first prize in the prestigious hot food competition. The U.S. team also won the gold medal in the cold food competition.

Contending with teams from 28 nations, American chefs won more than 40 gold medals. Their victories reminded the world that our country has a vibrant culinary tradition and is a center of culinary innovation.

You helped make it happen. Your association and the American Culinary Federation created and directed the foundation which raised the funds to select, train and transport the U.S. Culinary Team. The contributions made by foodservice operators and suppliers created worldwide recognition for the quality of American cookery.

NRA bill overrides regulation

On the legislative front, the foodservice industry won an important victory when the bill to exempt central kitchens from USDA inspection became law last month.

The NRA-sponsored legislation eliminates federal inspection of meat and poultry when a restaurant kitchen prepares ready-to-eat food to be sold at other restaurants owned or operated by the same company within state boundaries. An unnecessary regulation that blocked productivity has been erased.

This is yet another example of positive congressional action that can be initiated by your industry, which is well represented in Washington.

NRA introduces new political poll

Having said that, let me add that your association needs your guidance and participation in order to represent you effectively. This issue of ***NRA NEWS*** introduces a new feature called "Your Opinion." It describes two major issues on which NRA will need to take a position and asks for your opinion.

You will find a postage-paid reply card inserted adjacent to this column. Tear it out, complete it and mail it to NRA. Your opinion will count as NRA policies are formulated.

Members protest FDA intervention

There is one issue on which NRA needs you to act right now. The Food and Drug Administration (FDA) is developing a standardized, national test which would lead to certification of foodservice managers in the area of food protection and sanitation practice. This test would not be mandatory at first, but if local jurisdictions do not adopt it, you know what comes next. (See article in this month's "Washington Report.")

We should all speak out against this unnecessary intervention of the federal government into a matter that is already managed effectively at the state and local levels. A national test could be costly to you as operators. Take a minute to write the FDA commissioner and tell him what you think of this plan. Address your letter to Frank E. Young, Commissioner, Food and Drug Administration, 5600 Fishers Lane, Rockville, MD 20857.

Seminar prices lowered

A six-month schedule for NRA seminars is included in this issue of ***NRA NEWS.*** Note that the registration fee of the basic skills programs—"Basic Supervision," "Kitchen Management," "Dining Room Management" and others—has been reduced. Because these professional seminars are designed to help you train your staff, the price has been reduced to allow more of your employees to attend.

Examine the seminar schedule carefully. Through the cooperation of your state restaurant association, instruction in a variety of basic skills, food production and foodservice management programs will be offered in your area. Take advantage of these programs; they are among the finest services NRA offers.

NRA report forecasts energy supply

The third in the new NRA series of *Current Issues Reports* will be mailed this month to all member companies. It covers the various kinds of energy resources utilized by foodservice operators and forecasts availability during the next few years. Although the near-term forecast calls for relatively stable prices and ample supply, this report should assist in some long-range strategic planning of energy use in your units.

NRA plans to showcase the industry

The Inaugural Committee has approached NRA about the possibility of your association's sponsoring a gourmet Taste of America during the presidential inauguration celebration in January. Fifty restaurants, selected by judges of well-known fine dining awards, will offer samples of America's highest quality food. This event would afford NRA another opportunity to place our industry in the national spotlight. I will keep you up-to-date on the plans as they develop.

Your NRA membership dues invoice for 1985 has been mailed to you. I urge you to renew your membership in your industry's leading national trade association. We appreciate and value your continued support. It's an investment in the present—and the future.

During the past month, 147 members joined NRA. I welcome you to the most prestigious foodservice trade association in the world. Your participation in NRA will make your business grow and make the association more effective in its endeavors on your behalf. We're glad to have you with us.

Sincerely,

Harris

Harris O. Machus
Chairman of the Board and President

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Cover Story: Children

BURGE
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and
A DIP O
CHOCO

Children are a market to be reckoned with. Their numbers are growing. They eat out frequently. Most of all, they have a substantial influence on their families' decisions to dine out—especially at fast food and family restaurants. That is why this month's issue of the ***NRA NEWS*** examines the pre-teen market and the opportunities it presents for increased business and loyalty.

14	How some operators have begun to woo children and their parents.
17	A special Foodservice Trends profile of family eating out behavior, with tips for capturing more family business.

Related departments: How's Business, Food for Thought

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Cover photo: Mark Borchelt *Location and setting, courtesy of Houlihan's Old Place, Chevy Chase, MD.*

SHORT ORDERS

TacoTime taps university talent

TacoTime International, a 300 unit Mexican fast food chain, has opened its doors to university students wishing to earn upper-division college credit and gain work experience while still in school.

TacoTime's student internship program has given several students from the University of Oregon's Schools of Journalism, Architecture and Business Administration a chance to work alongside TacoTime International's corporate staff in the accounting, marketing, advertising and facilities design departments. These interns have successfully completed projects in everything from planning regional television commercials to designing floor plans.

According to James Watson, director of advertising for TacoTime, "We're glad to have the chance to work with university students. Their contributions to our business in terms of new ideas and enthusiasm far outweigh their inexperience."

TacoTime plans to expand its internship program to other departments within the corporate office and also hopes to help place interns with nearby franchise owners.

Purdue develops master recipe file

More than 3,000 professionally developed menus, covering virtually every imaginable dietary need, are now available from Purdue University's Restaurant, Hotel and Institutional Management Institute (RHIMI).

"It is an odd truth in our business that for all their years in the kitchen developing their technical expertise, most chefs and foodservice directors have only a very sketchy understanding of how to plan a winning menu within cost limitations. The three-volume *Purdue Master Menu and Recipe File* eliminates the guesswork," says Brother Herman Zaccarelli, director of RHIMI.

The heart of the new system is the *Purdue Institutional Menu Planning Guide*, which explains the institutional menu planning process and demonstrates the important relationship between menu planning and cost control.

In addition, the guide features 3,000 menu item selections, health care sample menus for a full year cycle and some innovative menu ideas for college and university foodservice operations. The institutional section features variety menus within cost limitations.

Also included is *Professional Cooking*, an illustrated hardcover book. It includes more than 800 quantity recipes—many of which are cross-referenced to menu items suggested in the *Purdue Institutional Menu Planning Guide*.

The third volume, the classic *Food for 50* (6th ed.), shares approximately 450 pages of proven recipes. This book offers menu plans for establishments ranging from schools and child care centers to health care facilities.

Rounding out the *Purdue Master Menu and Recipe File* is a packet of special diet menus that covers a 120-week menu cycle. Special diets covered range from high protein/high carbohydrate to lactose (milk) restricted.

For additional information about the *Purdue Master Menu and Recipe File*, contact Brother Herman E. Zaccarelli, director RHIMI, Stewart Center, Purdue University, West Lafayette, IN 47907; (317) 494-2749.

Cost/nutrition calculator wheel for fish

If you are interested in the caloric values, protein and fat percentages, sodium, iron and cholesterol levels for cod, flounder, sole, ocean perch, haddock, ocean catfish, turbot, pollock and whiting, you can find out from "Fish Scales."

FISH SCALES

"Fish Scales" is a free calculator wheel available from Fishery Products, Inc. Made from plastic-laminated board, it is designed in the shape of a flounder. The calculator also can be used to determine costs per serving, menu price and food cost percentages.

To receive your free "Fish Scales" cost/nutrition calculator, write to: Foodservice Marketing Manager, Fishery Products, Inc., 18 Electronics Avenue, Danvers, MA 01923.

Additional model foodservice ordinances

These additional interpretations of the FDA Model Food Service Ordinance now available:

- Storage of poisonous or toxic materials
- Use of chemically treated wood
- Personal cleanliness—coins and currency as potential fomites
- Handwashing supplies—bar soaps as fomites

WASHINGTON REPORT

FDA pressing for sulfite labeling

The Food and Drug Administration (FDA) is pressing for sulfite labeling. It is asking that state governments and the foodservice industry take more action to inform asthmatics who are sulfite-sensitive about the use of sulfites in restaurant food.

FDA believes that acceptable consumer notices should include use of conspicuous and easily readable labels, signs, placards or menu statements, such as "sodium bisulfite added" or "sulfiting agents added to preserve natural appearance and freshness," or other means judged equally effective by state regulatory agencies.

FDA says such notices are needed because the continued unlabeled use of sulfites poses a serious health problem to those people who are sensitive to these chemicals.

NRA responds to FDA . . .

Although NRA shares FDA's concern over the sulfite issue, it is adamantly opposed to such labeling requirements at the retail level.

In a letter to Sanford Miller, director of FDA's Center for Food Safety and Applied Nutrition, NRA said, "There are significant practical problems associated with labeling, not the least of which are anxiety on the part of non-affected restaurant patrons, the insufficiency of definitive information presented to those who are adversely affected by sulfites and the precedent-setting nature of such an action."

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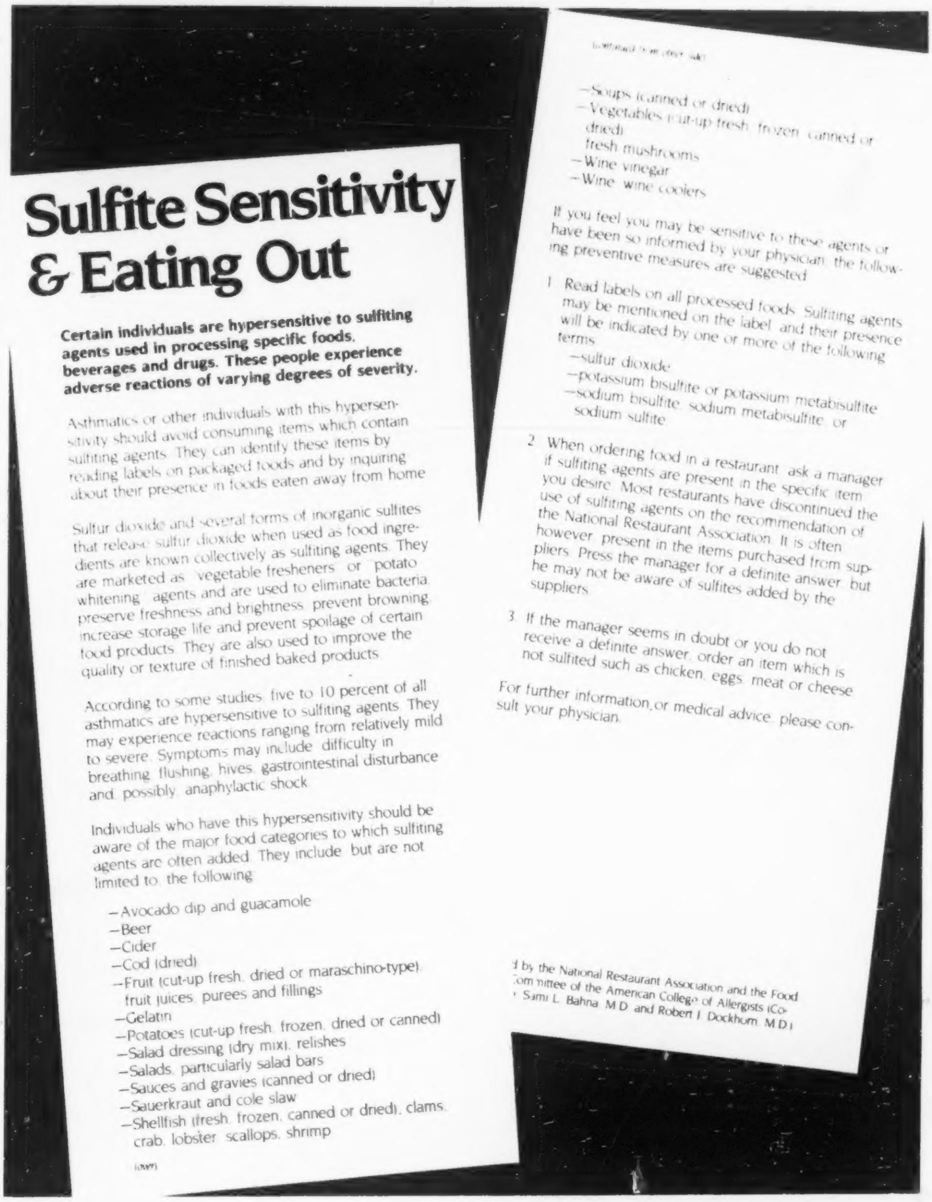


Sulfite Sensitivity & Eating Out

Certain individuals are hypersensitive to sulfiting agents used in processing specific foods, beverages and drugs. These people experience adverse reactions of varying degrees of severity.

Asthmatics or other individuals with this hypersensitivity should avoid consuming items which contain sulfiting agents. They can identify these items by reading labels on packaged foods and by inquiring about their presence in foods eaten away from home.

Sulfur dioxide and several forms of inorganic sulfites that release sulfur dioxide when used as food ingredients are known collectively as sulfiting agents. They are marketed as "vegetable fresheners" or "potato whitening" agents and are used to eliminate bacteria, preserve freshness and brightness, prevent browning, increase storage life and prevent spoilage of certain food products. They are also used to improve the quality or texture of finished baked products.

According to some studies, five to 10 percent of all asthmatics are hypersensitive to sulfiting agents. They may experience reactions ranging from relatively mild to severe. Symptoms may include difficulty in breathing, flushing, hives, gastrointestinal disturbance and, possibly, anaphylactic shock.

Individuals who have this hypersensitivity should be aware of the major food categories to which sulfiting agents are often added. They include, but are not limited to, the following:

- Avocado dip and guacamole
- Beer
- Cider
- Cod (dried)
- Fruit (cut-up fresh, dried or maraschino-type), fruit juices, purees and fillings
- Gelatin
- Potatoes (cut-up fresh, frozen, dried or canned)
- Salad dressing (dry mix), relishes
- Salads, particularly salad bars
- Sauces and gravies (canned or dried)
- Sauerkraut and cole slaw
- Shellfish (fresh, frozen, canned or dried), clams, crab, lobster, scallops, shrimp

(over)

(continued from other side)

- Soups (canned or dried)
- Vegetables (cut-up fresh, frozen, canned or dried), fresh mushrooms
- Wine vinegar
- Wine, wine coolers

If you feel you may be sensitive to these agents or have been so informed by your physician, the following preventive measures are suggested:

1. Read labels on all processed foods. Sulfiting agents may be mentioned on the label, and their presence will be indicated by one or more of the following terms:
   - sulfur dioxide
   - potassium bisulfite or potassium metabisulfite
   - sodium bisulfite, sodium metabisulfite, or sodium sulfite
2. When ordering food in a restaurant, ask a manager if sulfiting agents are present in the specific item you desire. Most restaurants have discontinued the use of sulfiting agents on the recommendation of the National Restaurant Association. It is often, however, present in the items purchased from suppliers. Press the manager for a definite answer, but he may not be aware of sulfites added by the suppliers.
3. If the manager seems in doubt or you do not receive a definite answer, order an item which is not sulfited such as chicken, eggs, meat or cheese.

For further information, or medical advice, please consult your physician.

d by the National Restaurant Association and the Food
om mittee of the American College of Allergists (Co-
Sami L. Bahna, M.D. and Robert J. Dockhorn, M.D.)

List of sulfite-free fresheners

NRA has developed a list of sulfite-free fresheners for operators who have stopped using sulfiting agents but need a substitute product.

NRA does not endorse any product on the list and recommends that operators check to make sure the substitutes meet their requirements.

To obtain the list, write or call NRA's Information Service Department, 311 First Street, N.W., Washington, DC 20001; (800) 424-5156.

WE'RE COUNTING ON *YOUR OPINION*

NRA's monthly membership poll tracks your views on important national issues affecting the foodservice industry.

Your reponses to these questions will help NRA represent the industry in Washington.

Question 1. Increase the minimum wage?

Minimum wage legislation may be taken up in the next Congress. The Fair Labor Standards Act (FLSA) was last amended in 1977, raising the federal minimum wage nearly 46 percent over a four-year period.

The last incremental increase went into effect Jan. 1, 1981, raising the federal minimum 25 cents to $3.35 an hour. With a deep recession and high unemployment, efforts to increase the minimum wage floundered in the 97th and 98th Congresses.

The 99th Congress may be different, however. Two years of continued economic growth, coupled with the fact that the minimum wage will not have been raised in four years, may spur Congress to consider another increase.

Legislation calling for an increase has been pending in the House since last year. Introduced by U.S. Rep. Mario Biaggi (D-NY), the bill (H.R. 3652) would raise the minimum wage to $4.15 an hour. Biaggi says that the 24 percent increase is needed to keep up with advances in the cost of living since 1981. No action was taken on the bill in the 98th Congress, and there was no companion bill in the Senate. It is likely similar legislation will be introduced again next year.

■▶ *Pros:* Supporters of increasing the minimum argue that it is necessary to prevent workers from laboring at poverty wages; fairness and equity dictate that workers should be paid more, particularly in light of inflation and reduced buying power; and increased wages will help the economy by increasing consumer spending.

■▶ *Cons:* Opponents argue that raising the minimum is inflationary. It raises the "floor" for all wages as higher-paid employees seek to maintain their wage differential over the minimum. It results in unemployment and reduced entry-level job opportunities, and it results in decreased services to consumers. They also argue that teenagers, especially minority teens and other low-wage, low-skill groups, are most apt to suffer from an increase.

Should the federal minimum wage be increased?

Question 2. Adopt a "flat" tax?

A number of tax reform proposals will be debated in Congress next year. Democrats, Republicans, accountants, lawyers, businessmen and academicians all agree that the current tax system is too complicated, often ineffective in raising revenue and badly in need of reform.

One of the most talked about reform measures is the "flat" tax. In its purest form, it would tax all income from all sources at one flat rate, and it would broaden the tax base by eliminating tax preferences, thus resulting in a lower overall rate.

A variety of modifications to the basic flat tax have been proposed. Each uses a less comprehensive base and allows some personal deductions.

A bill introduced by Sen. Robert Kasten (R-WI) and Rep. Jack Kemp (R-NY) would set rates of 25 percent on investment income and 20 and 28 percent on earnings. Sen. Bill Bradley (D-NJ) and Rep. Richard Gephardt (D-MO) want rates of 14, 26 and 30 percent; Sen. Dennis DeConcini (D-AZ), 19 percent; and Rep. Mark Siljander (R-MI), 10 percent.

■▶ *Pros:* With its myriad of exemptions, exclusions, deductions and credits, the current tax code distorts business and market decisions and is unfair to those unable to take advantage of tax loopholes and shelters. A flat tax eliminates many or all (depending on the plan) of these preferences, thereby simplifying the code and putting all taxpayers on equal footing. It also broadens the tax base and thus allows for substantial reductions in tax rates.

■▶ *Cons:* The idea of progressivity—rates rise as an individual's income increases—is lost in the flat tax. Its single rate (some proposals do call for two or three rate levels) would favor the rich at the expense of the lower and middle classes. Some people question whether the flat tax's "neutrality" is really a plus, since many current tax preferences have positive socioeconomic benefits, such as the deduction for charitable contributions.

Should our current income tax system be replaced with a flat tax?

Please respond to the above questions, using the attached postage-paid card.

. . . from p. 7

NRA maintains the most effective and appropriate way to communicate additive information to sensitive individuals is through the medical community.

NRA produces leaflet for allergists . . .

Working with the American College of Allergists, NRA has developed a leaflet to be distributed by physicians to their asthmatic patients. The leaflet lists food categories to which sulfites are often added and suggests preventative measures to be taken by sulfite-sensitive individuals when they eat out. (See accompanying photograph of leaflet.)

Since February of 1983, NRA

- has asked members not to use sulfites, pending the outcome of an FDA investigation of the preservatives
- has advised members to keep track of sulfites in foods sold in their restaurants and to be prepared to answer customer questions about sulfite use and
- has asked members to encourage their suppliers to identify the presence of sulfiting agents on the smallest containerized unit of product they ship to the restaurant.

FDA receives 300 complaints . . .

Over the last two years, FDA has received about 300 reports of consumers complaining of reactions to sulfites, including a few reports of death. The majority of reactions are reported by asthmatics.

FDA believes that perhaps five percent of all asthmatics—some 450,000 people—may be sensitive to sulfites. Reactions range from hives to severe respiratory problems.

FDA is currently investigating four deaths linked to sulfites in foods served in restaurants.

In addition, 29 allergic reactions reported since February have required immediate medical attention. Twelve of these occurred in California.

Other activities . . .

In other activities involving sulfites:

- FDA is providing physicians, through the *FDA Drug Bulletin*, with updated information on sulfites.
- The Federation of American Societies for Experimental Biology (FASEB), under contract to FDA, is reviewing the GRAS (Generally Recognized As Safe) status of sulfites and their possible health effects on people.

FASEB released a tentative report on Oct. 15 in which it recommended that notices be posted in restaurants where sulfited foods are served and that labels be placed on such products in stores.

However, the report did not recommend a ban on sulfites; instead, it said that additional studies ought to be conducted.

- FDA has completed the final draft of a proposed regulation that would require all detectable sulfite use in packaged foods to be declared on the label.

Current FDA regulations require sulfite labeling on all finished packaged foods that contain sulfites as a preservative. The proposed regulation would also require sulfite labels on other finished consumer packaged foods where sulfites are not used to preserve the final product but have been used in some earlier stage of processing.

NRA's position on sulfite labeling

Speaking to the board of directors of the Massachusetts Restaurant Association immediately following the release of the FDA tentative report, which recommends the labeling of sulfites in restaurants, Jim Peterson, chairman of NRA's Government Relations Committee, said:

"Unfortunately, producers and processors still use sulfiting agents in preparing shrimp, peeled potatoes, fresh fruit, fresh vegetables and other foods. During the past two years, there have been regular reports of individuals suffering life-threatening reactions to such foods eaten in restaurants. Four deaths have been connected with sulfites consumed in restaurants.

"In the interim, FDA has not clarified the situation. Instead it has released a report which says, first, that more study is needed and, second, that restaurants should post signs or place warnings in menus when sulfites are present in the food they serve.

"Signs or menu labels are not the solution. They do not supply enough information for those who should be concerned, and they frighten people who have no reason for concern.

"Furthermore, menu labeling for sulfites would set a bad precedent. I can visualize a whole wall in a restaurant or a whole page in a menu covered with warnings that are relevant to only a few, but frighten all.

"If sulfites pose a real threat to the health of a significant number of people, FDA should remove them from the "Generally Regarded as Safe" (GRAS) list—and thus ban them.

"If, on the other hand, FDA decides that the number of sulfite-sensitive people is too small to warrant a ban, the problem becomes a medical matter. Involved individuals should be counseled and warned by their physicians.

"To date, FDA has refused to make this determination."

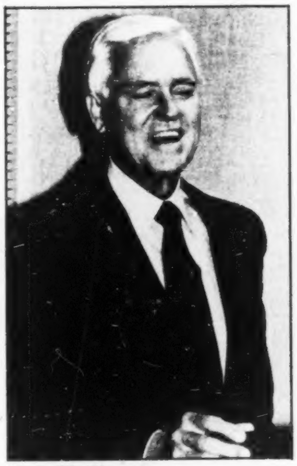
First NRA Executive Forum focuses on taxes, the economy

Tax reform headed the list of issues discussed at the first NRA Executive Forum, held Sept. 25–26 in Washington, DC.

The Executive Forum provides top industry leaders with an opportunity to meet and exchange views with prominent members of key congressional committees as well as high level administration officials.

Speaking to a select group of foodservice CEOs and state restaurant association executives and their presidents were Sens. Ernest Hollings (D-SC) and Pete Domenici (R-NM) and Charles McLure.

McLure, deputy assistant treasury secretary for tax analysis, reported that his Tax Analysis Branch is studying tax reform proposals at the request of the President. Alternatives being studied include the flat tax, the modified flat tax, a consumption tax and a national sales tax. (See September 1984 issue of ***NRA NEWS*** for an explanation of these alternatives.) McLure would not indicate which proposal is favored by Treasury, but he said a recommendation will be made to the President in mid-December.


Sen. Hollings

Sen. Domenici, chairman of the Senate Budget Committee, made a case for the administration's economic policies, arguing that they have increased investment, led to lower unemployment and have cut the rate of growth in the federal budget from 17 percent per year to under seven percent.

Discussing possible tax reform action, Domenici suggested that Congress will probably institute an income-tax surcharge or sales tax as a short-term remedy while it studies long-term reform proposals.

Sen. Hollings, ranking Democrat on the Senate Commerce Committee and a presidential hopeful ear-

Sen. Domenici

A CALL FOR ACTION

Stop national foodhandlers' test

The issue: The Food and Drug Administration (FDA) has contracted with the Educational Testing Service to develop a standardized national 50 to 75-item test that would lead to the certification of foodservice managers in the areas of food protection and sanitation practices.

In its announcement, FDA has presented a historical summary of its prior activities which gives the misleading impression that the national test is the next stage in an earlier-conceived FDA master plan for better consumer protection.

The problem: FDA plans to have this test ready for implementation by July 1985. The test would not be mandatory at first; but if local jurisdictions did not adopt it, mandatory testing could be the next logical step.

FDA has sent a questionnaire to approximately 2,000 local directors of food protection to determine their interest and support for such a certification program.

Although the results of the survey are not in, FDA is proceeding with the plan. It has appointed a 10-member advisory committee with only one foodservice representative.

Pros: According to FDA, such a national certification test

- would result in uniform testing procedures
- would encourage reciprocity among jurisdictions which have mandatory programs at the local level and
- could reduce training time and costs for operators. Experienced personnel could take the exam without having to take a course. (This condition is not certain, however.)

Cons: Disadvantages of a national test far outweigh the benefits, NRA believes. They include

- cost and time of traveling to test sites. The test would be given at selected sites around the nation on a periodic basis. The expense would be borne by the individual or company
- one more layer of government bureaucracy. Many jurisdictions would continue with their own tests for their local code
- possible erosion of training standards. Training would be directed toward passing the test rather than acquiring a thorough knowledge of food protection and sanitation procedure
- other certification requirements. National certification could lead to other requirements for certification, such as a "national foodservice worker" examination
- unanswered questions by FDA concerning the length of certification, re-certification procedure and re-certification costs and
- more pressing needs. FDA should use its funds to better train inspectors for uniform inspection procedures, which currently vary considerably.

What you can do: Please contact Food and Drug Administration (FDA) officials Sanford A. Miller, Ph.D. and Frank E. Young, M.D., Ph.D. Urge them to stop the development of a uniform national certification test for foodservice handlers because it would impose more bureaucracy and more cost without demonstrated benefits to the public.

Emphasize that foodservice is safer today than at any time in history—a result of the foodservice industry working with local health officials to meet local code requirements.

By writing to the officials at the addresses listed below, you will be able to influence their decision before final policy is created. Please write now.

- **Sanford A. Miller, Ph.D**
  Director
  Center for Food Safety and Applied Nutrition
  200 C Street, S.W.
  Washington, DC 20201
- **Frank E. Young, M.D., Ph.D.,**
  Commissioner
  Food and Drug Administration
  Parklawn Building
  5600 Fishers Lane
  Rockville, MD 20857

lier this year, gave a rousing presentation on the state of the economy. He lambasted Congress for its fiscal irresponsibility and faulted the administration for dismissing the serious nature of the budget deficit.

Hollings also warned that the severity of the deficit problem may force Congress to combine all the different tax reform proposals now under consideration into one giant reform package.

Immigration bill dies as Congress adjourns

The NRA-opposed immigration reform bill, which passed both the House and Senate, never emerged from conference committee and died with the final recess of the 98th Congress on Oct. 12.

Conferees were deadlocked on a House-passed amendment which would have prevented employers from discriminating against aliens who obtained legal status with the bill.

The amendment, offered by Rep. Barney Frank (D-MA), would have allowed discrimination victims to file complaints against employers before a new Justice Department agency, the U.S. Immigration Board. Senate conferees objected to the amendment on the grounds that it would discriminate in favor of aliens.

The immigration bill, representing almost a decade of work, would have been the most comprehensive change in the immigration laws in 30 years. It is expected that similar legislation will be reintroduced early in the 99th Congress.

Central kitchens bill signed into law

In a significant victory for NRA, the bill to exempt restaurant central kitchens from USDA inspection was signed into law on Oct. 17.

The NRA-backed law eliminates duplicative federal inspection of meat and poultry products when a restaurant kitchen prepares ready-to-eat food for sale at other restaurants owned or operated by the same company.

NRA has worked toward passage of this law for the past two years, noting in recent testimony that central kitchens are already inspected by state and local authorities. NRA also argued that the inspection laws governing central kitchens were written specifically for large meat-packing facilities and not for smaller operations.

These inspection laws required central kitchen facilities to meet special equipment and building regulations. They also required detailed labeling of products and prior approval of recipes.

With the elimination of these costly and restrictive inspection requirements, NRA expects more small operators to take advantage of the opportunity to expand their operations in the same city by opening a central kitchen facility.

—Jay Morris and Michelle Rabayda

THE LAW

Two important legal victories for NRA foodservice industry

by Clyde L. Griffith
NRA Chief Counsel

Two federal courts have adopted long-held NRA views on two problems of critical importance to the foodservice industry. The issues relate to (1) use of the meal credit in payment of wages and (2) the application of the Equal Access to Justice Act.

1. The meal credit issue

The Fair Labor Standards Act (FLSA) provides that an employer who furnishes meals to employees may reduce cash wages by an amount equal to the reasonable cost of the meals furnished. For example, if you furnish your employees meals worth 20 cents per hour worked, then the current $3.35 per hour minimum wage can be paid as follows: $3.15 in cash and 20 cents in meal credit.

There are no other conditions that must be met before the meal credit can be taken.

However, the Department of Labor (DOL), following its regulation on meal credits (29 CFR 531.30), established four tests that must be met to qualify for a meal credit:

1. The employee's acceptance of the meal credit system must be voluntary and uncoerced.
2. The employer must agree to the amount taken as a meal credit.
3. Acceptance of the meal credit cannot be made a condition of employment either at the time of employment or at any time thereafter. From time to time the employee must be given the opportunity to option in or option out of the system.
4. For each employee the employer must retain records of all meals—who ate the meal and its actual value.

NRA has always taken the position that the conditions placed by DOL on the taking of the meal credit were illegal because they amounted to an unauthorized rewriting of the law. Only Congress can re-write the law.

The Davis Brothers Case . . .

One of the first court cases to rule on the meal credit issue involved an NRA member, Davis Brothers Inc., Atlanta, GA.

The Davis company operates motels, cafeterias and restaurants in Georgia, Florida and Tennessee. Prior to January 1, 1980, Davis paid at least the minimum wage in cash to all hourly foodservice employees and permitted them to purchase meals at one half the retail price.

On January 1, 1980, Davis instituted a new policy. Employees were permitted to select food from a limited portion of the regular menu but no longer directly paid for their meals. Instead, Davis deducted 25 cents or 35 cents per hour from their wages as the reasonable cost of the meals provided. This deduction resulted in some employees receiving less than the minimum wage in cash wages.

The deductions were made a condition of employment regardless of an employee's wishes and eating habits.

As a result of a DOL compliance audit, the employer was found to be in violation of the law because receipt of the meals by the employee was not voluntary and uncoerced. The employer had never obtained the consent of his employees before initiating the meal credit system.

The U.S. District Court, Northern District of Georgia, reviewed the Davis Brothers case and agreed with the DOL position. (*Davis Bros., Inc., v. Marshall* C 80-970, Sept. 17, 1981)

This decision was appealed by Davis Brothers, Inc. NRA participated in this appeal by providing a "friend of the court" *amicus curiae* brief.

On March 21, 1983, the 11th U.S. Circuit Court of Appeals, Atlanta, GA, considered the Davis Brothers appeal. It adopted the long-held NRA view on the meal credit, ruling that the federal minimum wage law (Section 3[m]) allows an employer a credit for the reasonable cost of meals "customarily furnished" to employees. The court held that

(1) the term "customarily furnished" in the law permitting meal credits means "regularly provided" by the employer and not "voluntarily accepted" by the employees and

(2) employers are allowed to take a credit on components of the minimum wage obligation for meals regularly provided even if the employees are not given the option to take cash instead (*Davis Brothers, Inc. v. Donovan* No. 81-7775, March 21, 1983).

Subsequent to the Davis Brothers, Inc. case, the same meal credit issue was considered by the 5th U.S. Circuit Court of Appeals, New Orleans, LA. On August 1, 1983 that court ruled the same as the Atlanta court—that employee approval of a meal credit system was not necessary. (*Miller Properties, Inc. v. Donovan*, No. 82-3722, August 1, 1983).

On April 27, 1984 the U.S. District Court for Colorado (Denver) considered a similar meal credit case and ruled that no employee approval was necessary. (*Donovan V. Venture Management, Inc.*, No. 84-1928, April 27, 1984).

DOL filed an appeal of that decision to the 10th U.S. Circuit Court of Appeals, and NRA moved to file another *amicus curiae* brief. On October 3, 1984, DOL moved to dismiss its appeal and announced informally that in the near future it will issue an official information letter on the meal credit issue that will eliminate the employee approval requirement.

Thus three years of litigation has resulted in an important legal victory. Finally, the NRA position on meal credits will be adopted.

2. Equal access to justice—The Cross Keys Inn case

The FLSA makes a distinction between wages paid to management and non-management employees. Managers—or executives—are exempt from the minimum wage and overtime and can be paid by salary. Under the lengthy provisions of the regulations (29 Code of Federal Regulation, Part 541) an employee who (1) earns at least $250.00 per week, (2) supervises at least two other persons and (3) whose primary duty is management of an establishment or department of that establishment qualifies as an exempt executive.

Early in 1981 the definition of exempt employees became a legal issue. At that time DOL conducted a labor compliance audit of the Cross Keys Inn, Glenshaw, PA. That establishment employed a chief chef to be in charge of the kitchen area. He was paid in excess of $250.00 per week and supervised at least two other employees at all times. The chief chef was fully qualified by training and experience to qualify for the management status. DOL's compliance officer arbitrarily disqualified the chief chef, recomputed his pay on an hourly basis with overtime pay and demanded approximately $2000 in unpaid wages.

On March 31, 1981, the NRA intervened by letter on behalf of Cross Keys Inn, and asked the DOL Wage and Hour Administrator to review and correct the compliance officer's ruling. NRA's request was denied, and DOL brought action in the U.S. District Court to recover the alleged unpaid wages. NRA moved immediately to assist Cross Keys Inn in its legal defense.

After two years of extensive pre-litigation activity (interrogations and discovery), DOL re-examined its case against Cross Keys Inn as NRA had asked on March 10, 1981. The court case was dismissed.

NRA then asked the court to order DOL to pay Cross Key's attorney fees under authority of The Equal Access to Justice Act (EAJA) (28 U.S.C. 2412), because DOL was never *substantially justified* in pursuing the case. On July 26, 1984, the court agreed and ordered DOL to pay (*Donovan v. Cross Keys Inn*, C81-1978, July 26, 1984).

This decision is a substantial win for the foodservice industry and for NRA for several reasons:

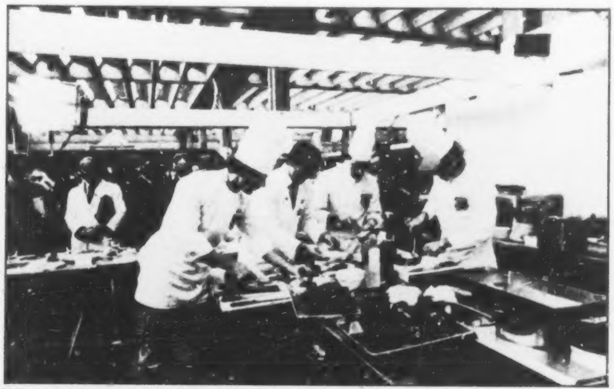
(1) So far as we can ascertain this is the first EAJA award ever obtained against DOL in a wage and hour case. The court said unequivocally that DOL was not *substantially justified* in pursuing this case.

(2) While the court refused to hold specifically that the government engaged in bad faith, the opinion nevertheless reflects little doubt that the court felt that DOL's conduct throughout was questionable and suspect.

(3) DOL had argued against an award because NRA was not the "real party in interest." The court summarily rejected this argument. This means that a trade association can come to the defense of its members, as NRA did, and obtain fees and expenses under EAJA if appropriate.

THE BOARD ROOM

1984 U.S. Culinary Team scores big at international competition



Members of the 1984 U.S. Culinary Team during the hot food competition at the International Culinary Competition in Frankfurt, Germany.

The 1984 U.S. Culinary Team brought home the gold from the International Culinary Competiton or "culinary olympics" held in Frankfurt, West Germany, October 12 to 18, 1984.

Of the 28 nations assembled for this world-class culinary competition, the United States was the only country to win two first place prizes in the three main areas of competition: hot food presented cold, cold platters and hot food. The United States placed first in cold platters and hot food, winning the latter competition with two native American recipes—Loin of Lamb Wyoming and Seafood Sausage Virginia.

The United States set a new world record as the only country to win the prestigious hot food competition two times in a row.

Ferdinand Metz, manager of the U.S. team and president of the Culinary Institute of America in Hyde Park, NY, remarked that the key to the U.S. team's success was its strong team spirit and its cooking concept of developing sophisticated dishes which reveal, rather than disguise, the food involved. The U.S. Culinary Team has come to be known as the initiator of the now popular trend of displaying food cleanly, artistically and colorfully.

U.S. team members also entered daily individual platter competitions, which brought them a total of 19 gold, three silver and two bronze medals. Other U.S. chefs competing in the competition won well over 20 additional gold medals, bringing the United States total to over 40 golds. With a total of 50 chefs from the U.S., the per capita gold earned was the highest of any country at the competiton.

U.S. regional teams winning special gold medals for their strong performance were Houston, TX, and St. Augustine, FL, whose members won at least five gold medals. Among the outstanding performers on these teams were Siegfried Eisenberger of the Opryland Hotel in Nashville, TN, who won three gold medals, and Gunther Heiland of the Dupont Hotel in Wilmington, DE, who won two golds, one of which was for an all-chocolate scale model of the U.S. Capitol.

Cheering the team on were NRA President Harris Machus (Harris O. Machus Enterprises, Birmingham, MI), Past Presidents John Dankos (Dankos Enterprises, Inc., Richmond, VA) and Thad Eure, Jr. (The Angus Barn Ltd., Raleigh, NC) and Board Members Ernest Royal (Royals Hearthside, Rutland, VT) and Harry Knowles (The Manor, West Orange, NJ).

Commenting on the team's performance at the competition, NRA President Harris Machus said, "They were magnificent. I was proud to represent NRA at this major culinary event and to know that, in a small way, our sponsorship helped make it possible."

—Dorothy Dee

NRA Board honors Larry Hilaire

During the Fall Board Meeting in Washington, DC, the NRA Board honored Oregon restaurateur and NRA Past President Larry Hilaire with a commemorative plaque recognizing his contribution to the foodservice industry during 50 years of membership in the association. NRA President Harris O. Machus (Harris O. Machus Enterprises, Birmingham, MI) presented Hilaire with a walnut plaque on behalf of the NRA Board.

A member of NRA since 1934, Hilaire served as president of the association in 1957 and has held positions of prominence in the organization throughout his years of membership.

NRA President Harris O. Machus (left) presents Oregon restaurateur Larry Hilaire with a plaque recognizing his contribution to the foodservice industry during 50 years of membership in the association. NRA Executive Vice President William P. Fisher looks on.

CHILDREN

Building blocks to market loyalty

by Anne Papa

A young couple recently took their two small children to dinner at a renowned restaurant. Their reception at the door was decidedly cool. There was no high chair for the little one, and the waiter frowned at their request for a children's menu. His aloof manner kept the family squirming throughout the meal, and they left without ordering dessert.

A week later the family went out to dinner again, this time to a restaurant the oldest child had heard of at school. The hostess greeted them with a smile and a menu for each of the kids. Their waiter recommended dishes he was certain the children would enjoy and was patient and attentive as they placed their orders. Dessert was served in colorful plastic bowls the kids could save and collect.

Which restaurant will those children insist on visiting again and again? Which restaurant will they tell their friends about, encouraging *them* to bring *their* parents? And, finally, which restaurant will they loyally patronize as adults?

Children are becoming an independent, powerful market segment of the foodservice industry. Their influence can be measured in sheer numbers; baby-boomers—the population group born in the 1940s and 1950s—are finally beginning to have children of their own. First births are expected to exceed 1.5 million annually in the next few years, and second births should come not far behind. This "baby boomlet" will restructure the marketplace.

Treating children with respect . . .

Restaurateurs nationwide are getting ready. They are developing company policies and creating promotions to cultivate the children's market.

These measures are not necessarily elaborate or expensive; often it takes nothing more than a little extra attention or a small token to make a child happy. And where there's one happy child, others (and their parents) are sure to follow.

"Treat kids as you would treat adults," advises Paul Andries, manager of one of three Family Buggy Restaurants in the Detroit, MI, area. As the name implies, Family Buggy Restaurants are family-style dinner houses where, as Andries puts it, the carpets are washable and spills are easily cleaned up. "Children are among our most valued customers," says Andries. "We keep families coming back by treating children with respect."

The company's family-oriented philosophy is incorporated into all aspects of the restaurant's operations. Servers are particularly solicitous of younger guests, offering them special dishes and encouraging them to order for themselves. Additionally, the Family Buggy spends approximately $1.20 per child on buttons, stickers and favors, given to all children as souvenirs of their visit.

Special menus and kids meals . . .

Above all, Andries says the Family Buggy's most effective tool in securing family business has been its children's menu. The Family Buggy's menu doubles as a coloring book. It is presented with a set of crayons to each child who enters the restaurant. Meals are more enjoyable because kids are occupied and entertained. And parents appreciate the discount prices the menu offers. Thus they are more likely to order a separate meal for their youngsters.

A children's menu does discourage sharing of adult meals, says Tom Frets, general manager of the Market Cafe Restaurant in Seattle, WA. "A child isn't content to eat off his parent's plate. When he has his own menu, he wants his own meal." Although children represent only five percent of the clientele at the Market Cafe Restaurant, they receive special attention. In fact, the restaurant's children's menu is so imaginative that it earned a grand prize award in NRA's 21st annual Great Menu Contest (see ***NRA NEWS,*** May 1984).

The charm of the Market Cafe's menu is in its simplicity. It is printed in black ink on a white paper bag. On one side, the menu is written in a child's handwriting; on the other side, a drawing has a caption that says, "Color me at the market." Inside the bag are all the tools a young guest will need—balloons, crayons, and an artist's smock, which can double as a bib without being too obvious.

As part of a program to boost family business, Kenny King's Family Restaurants in Cleveland, OH, publish a bi-monthly newspaper menu for children. The newspapers contain activities designed to encourage parent involvement—from questions about food groups to a menu math corner where children can tally their own bills. The menu itself is printed on the back of each issue with titles that reflect the newspaper theme, from "morning edition" (breakfast items) to "final edition" (dinner items) and "extra extra" (desserts).

Many fast food restaurants have developed their own version of the children's menu. Brightly-packaged "kiddie meals" usually include a small sandwich, french fries, soft drink and a toy, and are available at a fraction of the a la carte cost. Often the children's meal boxes are produced as a collectible series, thereby encouraging repeat business.

Atlanta-based Arby's, Inc., is one company which developed a prepackaged children's meal—more as a convenience for adults than as a treat for children. "Parents are more likely to bring their kids if a complete children's meal is available to them," explains Arby's Marketing Communications Manager Pat Snyder. Since the introduction of Arby's Adventure Meals a year ago, the company's primarily adult market has expanded to include more families with children.

The entertainment factor . . .

Restaurateurs who court the children's market are often catering to their adult customers. "Dining with children can be a uniquely enjoyable experience," says Paul Andries of the Family Buggy. "But it can also present some unique problems. We do what we can to alleviate those problems. By taking it upon ourselves to entertain the fidgety or unruly child, we allow parents to enjoy their meal *and* the company of their children." In addition to the Family Buggy's coloring book/menu, Andries says children are kept busy exploring the many early American antiques that decorate the restaurant. "We encourage them to look, touch and ask questions about what they see," he says.

Other restaurants have taken the Family Buggy concept one step further—providing on-site entertainment as well as food. Sometimes the entertainment is in the form of a playground. At other establishments it features video games and/or a musical stage show.

Even when there is no on-site entertainment, a restaurant can enhance a family's dining experience with special attention. Janice White, co-owner of the Rustic Timbers in Sibley, IA, says the restaurant has a distinct family orientation. Children under five eat free, and the staff is especially attentive to their needs. When unruly situations arise, White says she does not hesitate to intervene. Often it takes nothing more than the firm, authoritative voice of a stranger to calm a crying or rambunctious child, thus making the meal more enjoyable for everyone.

Special occasions and promotions . . .

By providing a solicitous, welcoming environment for families, an operator builds repeat business. Beyond the day-to-day operations, however, creative promotions can go far to attract family business.

Holidays and birthdays lend themselves to festive, profitable celebrations. Family Dining, Inc., owners of 18 Burger King franchises near Philadelphia, PA, has built a reputation for festive birthday parties at one of its stores. At the Oxford Valley, PA, Burger King, there are 20 to 25 birthday parties each week. The birthday child is given a Burger King crown and a free meal, and the meals of his or her guests are available at discount rates. Party favors, decorations and a birthday cake complete the package. "Kids love it because it's all done for them," says Lewis, "and parents love it because they don't have to clean up the mess."

At the Rustic Timbers, Christmas—the perennial favorite of young and old—is celebrated with a host of promotional activities. The highlight of last year's season was a special "Breakfast with Santa Claus," held two weeks before Christmas. Five giant Christmas trees and almost 4,000 decorations and lights set the stage for the jolly old man's visit. Janice White says the affordable cost of the breakfast contributed greatly to the success of this promotion. The Rustic Timbers also sponsored a "Toys for Tots" program, collecting toys for needy children and distributing them at a special Christmastime dinner at the restaurant.

At Mr. Fables Systems, 14 cafeteria-style establishments in the Grand Rapids, MI, area, Halloween is the red letter day. The holiday's approach is marked by a special award-winning promotion that features Halloween light sticks with all children's meals. On Halloween night, children who carry the lime-green, glowing sticks are easily spotted by motorists. The safety of young trick-or-treaters is enhanced, and the entire city knows where the light sticks came from.

Another effective means of reaching the children's market is through the schools. Tavern 190, Inc., owners of six Round Table Pizza franchises in the San Jose, CA, area, has implemented an achievement award program at all locations. Teachers and coaches at area schools present the awards to students who have demonstrated outstanding academic or athletic achievement. Each award recipient is given a framable certificate of merit and a coupon for a free pizza. "The word-of-mouth business this program has generated is unbelievable," says Rich Carlson, director of marketing for Tavern 190. "It's as though we have the whole school system behind us." Carlson estimates that at least 60 elementary, junior high and high schools in the Santa Clara Valley are currently participating in the program at no cost to the school system.

Competitive promotions are also popular with school children. Whataburger, Inc., (Corpus Christi, TX) sponsored a program last summer that encouraged reading by awarding any child, who completed a 10-book reading list, a free Whataburger, Jr., Country Kitchen International, Inc., (Minneapolis, MN) sponsored a national creative writing contest last winter. Entry blanks were available at all Country Kitchen locations, and the contest winner received a home computer and software package.

Finally, many operators advertise in the media. Target audiences vary; Pizza Time Theatre (Sunnyvale, CA), for instance, runs television ads on Saturday mornings, when young viewership is high. On the other hand, Arby's multimedia campaign appeals directly to the adult market, promoting Adventure Meals as an adult convenience. Each restaurateur must determine which target audience—adults, children or a combination of both—is most appropriate for attracting family business to his or her establishment.

In sum . . .

As the significance of the children's market increases, so does the need for restaurateurs to respond to it. Children's menus, entertainment and holiday promotions all strengthen the foodservice operator's reputation among children and families. And a solid reputation established now could mean profit and prosperity in the years ahead. ❑

Kids & food

Social manners in the dining room . . .

"The notion that children naturally misbehave in restaurants is false," says Paula Person, founder of The Children's Spoon, a program in Chicago, IL, that teaches children the basics of social etiquette. "Generally, a little discipline and reinforcement of social values is all it takes. Children love to dress up, go to a fancy restaurant and behave like adults."

The Children's Spoon is geared toward children between the ages of 4 and 14. It teaches manners and ease in a variety of social situations, including restaurant dining. The proper use of a dinner napkin (opened halfway and laid across one's lap), which fingers to use when picking up a tea sandwich (thumb and index) and correct posture at the table are examples of the details covered. The six-week course culminates in a child/parent high tea, where students are able to demonstrate their acquired skills. The teas are held at some of Chicago's finest restaurants and hotels.

. . . and food preparation in the kitchen

Frog legs, escargot, filet mignon and croissants are just some of the delicacies prepared by children enrolled in "Cooking for Kids," held at New York's Hotel Intercontinental.

Restaurants and institutions that sponsor cooking classes for children are finding that children are exceptional students, quick to learn and eager to experiment. Is this indicative of a new awareness among children about the importance of food preparation? Does it mean children are becoming more sophisticated about the food they eat?

Perhaps. But more likely, they're just having a lot of fun. Melanie Illian, director of public relations at Hotel Intercontinental, says that although kids enrolled in the course do enjoy preparing exotic dishes, their favorites are still spaghetti, hamburgers and ice cream. And at the Cooking and Hospitality Institute of Chicago, children's courses stick to basic dishes, such as pizza or fruit salad, leaving the gourmet dishes to adults.

TARGETING TODAY'S BABY BOOM MARKET

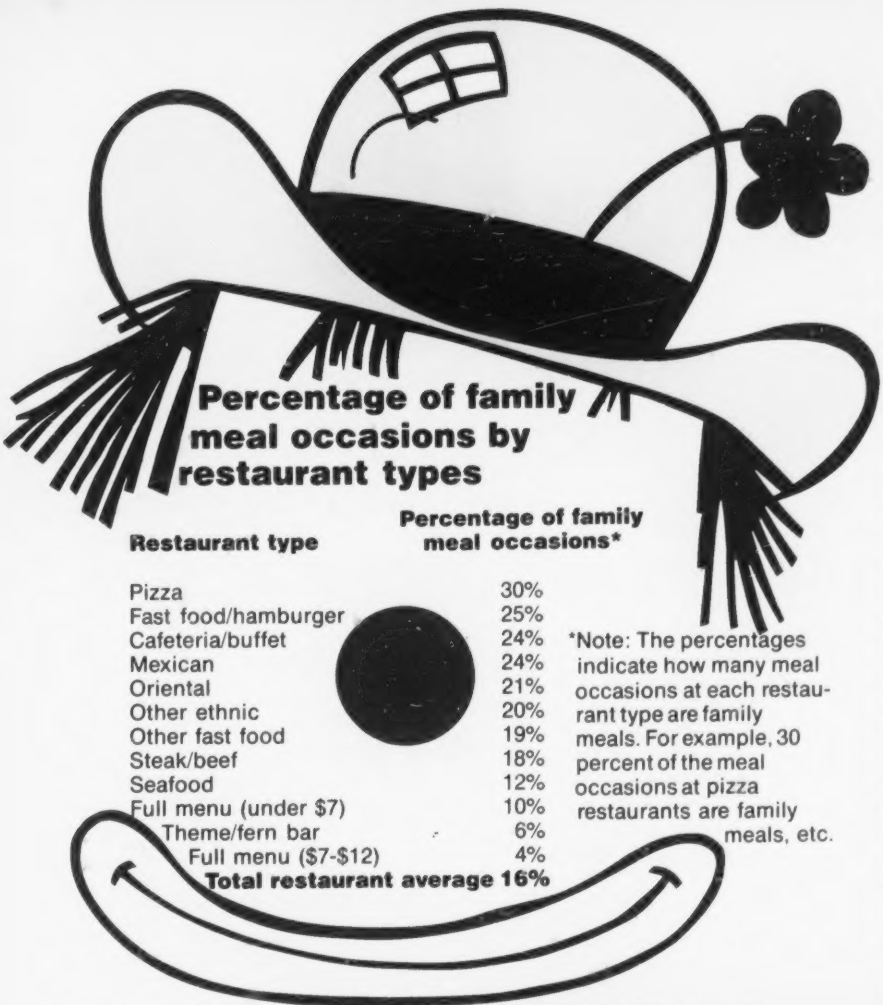
by Cecelia Niepold

Restaurateurs paid a great deal of attention to families and children during the 1950s and 1960s. They had to. The number of small children skyrocketed during the post World War II baby boom. As the baby boom generation grew up and the number of young customers grew smaller, restaurateurs focused less on small children and more on their maturing customers.

Now, however, the baby boomers are creating a second baby boom as they have children of their own. The number of families with young children is again growing rapidly, and restaurateurs may want to focus on this expanding market segment. The following article highlights some of the specific characteristics of households with young children to help operators more effectively target today's baby boomlet.

Why should restaurateurs focus on the current baby boom? There are opportunities in a number of different areas. Key factors include

- **Population gains:** The number of children under five is expected to jump 17.4 percent during the 1980s, and the number of five to 14 year olds will increase 9.5 percent by the end of the century.
- **Working mothers:** In 1960 only 30 percent of all women with children worked. Today more than half of all mothers work, and the proportion is expected to grow. This means convenience will continue to be a top priority for families with working mothers. They will dine out more often and demand a variety of take-out options.
- **Household characteristics:** Individuals are marrying later and having fewer children. Consequently, households with children today have higher incomes. Parents are further along in their careers. This translates into more money to spend on dining out. Also, eating out is an everyday occurence for today's parents—not a luxury.
- **Spending patterns:** Households with children under six spend a fairly good portion of their food budget on dining out—30 percent. This indicates households with young children are a good market for restaurateurs.
- **Children's influence:** Children have a substantial influence on their fami-



Percentage of family meal occasions by restaurant types

Restaurant type	Percentage of family meal occasions*
Pizza	30%
Fast food/hamburger	25%
Cafeteria/buffet	24%
Mexican	24%
Oriental	21%
Other ethnic	20%
Other fast food	19%
Steak/beef	18%
Seafood	12%
Full menu (under $7)	10%
Theme/fern bar	6%
Full menu ($7-$12)	4%
Total restaurant average	**16%**

*Note: The percentages indicate how many meal occasions at each restaurant type are family meals. For example, 30 percent of the meal occasions at pizza restaurants are family meals, etc.

Source: *Consumer Restaurant Behavior: A View Based on Occasion Segmentation*, NRA, October 1984.

lies' decisions to dine out—especially at fast food and family restaurants. For instance, 26.7 percent of the children dining at fast food restaurants influenced the decision to eat out, and 37.6 percent helped select the restaurant. Restaurateurs may want to consider children's preferences when targeting the family market.

- **Restaurant loyalty:** Households with children are more likely to have favorite restaurants than other customers. More than six out of 10 households with children under 13 years old have favorite restaurants. Restaurateurs may want to foster this loyalty to encourage more consistent patronage.

Where do families with children dine out?...

Families with young children seem to dine at certain types of restaurants more frequently than others, according to NRA's new study *Consumer Restaurant Behavior: A View Based on Occasion Segmentation.*

For example, 30 percent of the meal occasions at pizza restaurants are family meals. Other popular eating spots for families are fast food restaurants, cafeterias and buffets. A quarter of the meal occasions at these restaurants are family meals.

Interestingly, many families choose ethnic restaurants when dining out. Almost a quarter of all visits to Mexican restaurants are for family meals. Similarly, one in five meal occasions at Oriental or other ethnic restaurants are family meals.

At the other end of the spectrum, consumers are less likely to choose full menu, seafood or theme restaurants for family meals.

A CREST study based on data reported between December 1981 and May 1982 presents information about family dining out behavior with a slightly different focus. It emphasizes that among the basic restaurant categories (fast food, family and atmosphere), children under 13 years old are most likely to visit fast food restaurants when dining out. The study shows that fast food restaurants account for a whopping four out of 10 children dining occasions. Children also visit fast food restaurants more frequently than any other restaurant type—6.1 times per month.

Family restaurants account for a slightly smaller percentage of chil-

Primary reasons consumers with children under 13 years old dine out

Reason	Fast food	Family
Convenience*	45.5%	51.5%
Lack of time	34.1%	7.4%
Simple enjoyment	5.1%	24.5%
Celebrate an event	0.7%	4.8%
Other	14.6%	11.8%
Total	**100%**	**100%**

*(convenient restaurant location or didn't want to cook)

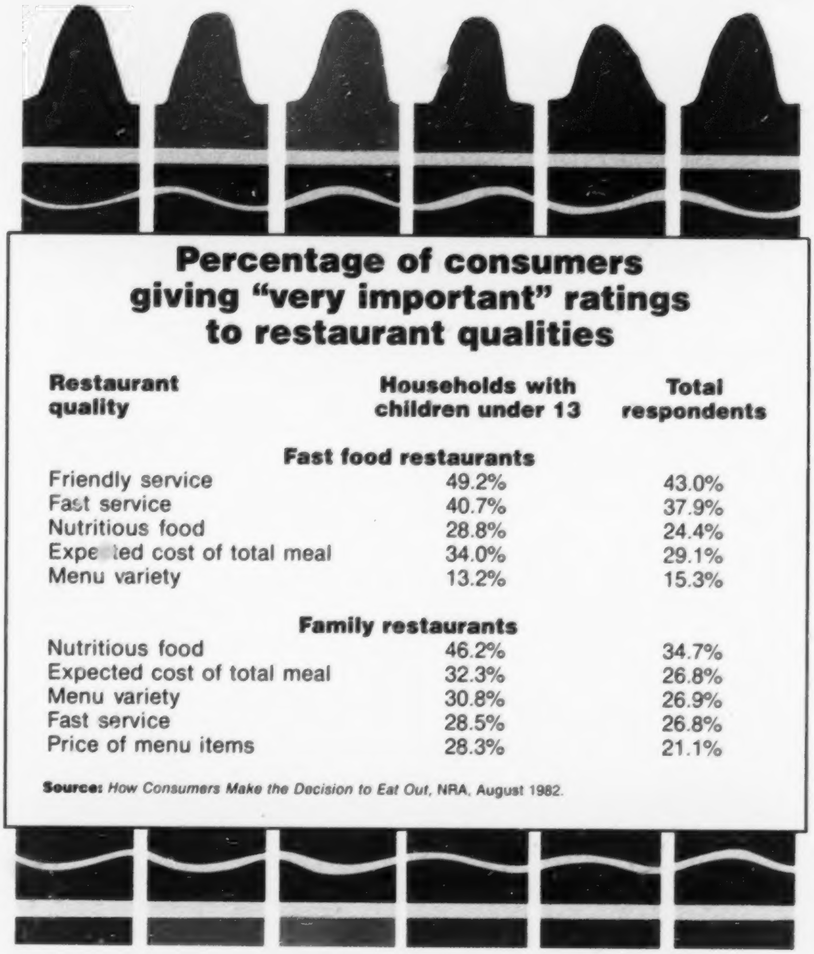
Source: *Consumer Expectations with Regard to Dining Out*, NRA, November 1983.

dren's dining out experiences—three out of 10. Families with children under 13 also visit family restaurants fairly often, averaging almost four visits per month.

Children are much less likely to visit atmosphere restaurants. Upscale restaurants account for only 12 percent of the total restaurant visits by children under 13 years of age. Households with children dine at atmosphere restaurants somewhat infrequently—2.5 times per month.

CREST data and the NRA occasion segmentation study both emphasize families' interest in convenient and quick service restaurants, but they also show families are apt to visit restaurants with varied and different menus.

Since families with children visit fast food and family restaurants most frequently, the remainder of this article will focus on families' dining patterns at these restaurant types. Parents do dine at upscale restaurants, but usually choose these occasions for dining without their children.



Percentage of consumers giving "very important" ratings to restaurant qualities

Restaurant quality	Households with children under 13	Total respondents
Fast food restaurants		
Friendly service	49.2%	43.0%
Fast service	40.7%	37.9%
Nutritious food	28.8%	24.4%
Expected cost of total meal	34.0%	29.1%
Menu variety	13.2%	15.3%
Family restaurants		
Nutritious food	46.2%	34.7%
Expected cost of total meal	32.3%	26.8%
Menu variety	30.8%	26.9%
Fast service	28.5%	26.8%
Price of menu items	28.3%	21.1%

Source: *How Consumers Make the Decision to Eat Out*, NRA, August 1982.

Why do consumers with children dine out? . . .

Consumers with young children, like most Americans, dine out for a variety of reasons and are apt to visit different restaurants for different occasions. Understanding the reasons behind customers' decisions to eat out with their children can help restaurateurs more effectively target this segment.

For instance, many families with young children dine at fast food restaurants for convenience or to save time. The NRA study *Consumer Expectations with Regard to Dining Out* points out that 46 percent of families with children under 13 years of age versus 41 percent of the total respondent group said convenience ("convenient restaurant" or "didn't want to cook") was their primary reason for dining at a fast food restaurant. Saving time is comparatively less important to families with young children. Approximately 34 percent of these families reported saving time was a major concern, compared with 40 percent of the total consumer group.

A large percentage of consumers with young children also visit family restaurants for convenience reasons—five out of 10. Only 7.4 percent of the families reported that saving time was their primary reason for visiting a family restaurant. Both of these percentages approximate responses by the total consumer group.

Simple enjoyment is another major reason many families visit family restaurants. Almost a quarter of the respondents with children under 13 years of age dined at a family restaurant for that reason—again, very similar to most respondents. On the other hand, almost five percent visited family restaurants to celebrate an event—a fairly small percentage, but twice the average consumer rate.

What do families with young children look for in a dining experience? . . .

Once consumers make the decision to dine out, they must choose a particular restaurant. That choice is often based on whether a restaurant provides the specific ingredients a consumer is looking for in a dining experience.

NRA's study on consumer restaurant behavior points out some general restaurant characteristics consumers look for when dining out for a family meal. Patrons were particularly interested in factors such as a casual atmosphere, quick service, good take out service, menu items that youngsters like and good amenities for children. They appreciate a children's menu or things that entertain youngsters, such as a coloring placemat or puzzle.

Another NRA study, *How Consumers Make the Decision to Eat Out*, also asked respondents to rate the importance of various qualities when choosing a restaurant. The following are the qualities families rated significantly higher than most consumers at two of the three major restaurant types.

Fast food restaurant qualities

- nutritious food
- friendly service
- expected cost of meal
- fast service

Family restaurant qualities

- nutritious food

- menu variety
- expected cost of meal
- prices of individual items

In general, families seem very concerned with providing nutritious food for their children at all restaurant types. Friendly and fast service is particularly important at fast food restaurants. Cost considerations also play a large role in family decisions to dine at fast food and family restaurants. Menu variety is not quite as important to families dining at fast food restaurants, but it is a significant consideration at family establishments.

When do children dine out? . . .

According to the CREST study, dinner is the most popular meal for restaurant visits by children. The evening meal accounted for 44 percent of total restaurant visits by children under six years old and almost half of the visits by six to 12 year olds.

Lunch is also a popular meal. Lunch accounted for nearly three out of 10 total restaurant visits by youngsters under 13 years old.

Children are much less likely to eat out for snacks. Snacks accounted for 15.3 percent of total restaurant visits among children under six and 15.8 percent of the six to 12 year old group. Breakfast is eaten away from home least often—less than one in 10 children ate out for the morning meal.

The *Consumer Expectations with Regard to Dining Out* study shows which meals customers usually eat at different restaurant types. For instance, half of the households with children under 13 usually eat lunch at fast food restaurants. Just over 41 percent of families with children (41.2 percent) usually eat dinner at fast food establishments. This is larger than the average consumer group (36.5 percent). This suggests that households with children are a particularly good market for fast food restaurateurs trying to build their dinner business.

At family restaurants and atmosphere establishments dinner is the overwhelmingly favorite meal occasion for family patrons. At family restaurants, two-thirds of the families with children usually eat out for dinner and more than nine out of 10 visit atmosphere restaurants for dinner. Both these proportions approximate the average consumer pattern.

What do children eat when dining out? . . .

Most restaurateurs realize that hamburgers, french fries and pizza are among children's top choices when dining out. Looking at the kinds of items children are more apt to order can help operators more effectively serve their young patrons.

To give restaurateurs a better picture of children's preferences when dining out, here are results of the December 1981-May 1982 CREST study, which point out the menu items children six to 12 years of age order more often than most consumers:

Breakfast items
- waffles and pancakes
- donuts or sweet rolls
- bacon and sausage
- juice
- milk

Lunch items
- hamburgers, cheeseburgers
- hot dogs
- chicken
- pizza
- french fries
- soft drinks
- milk
- ice cream

Dinner items
- hamburgers, cheeseburgers
- pizza
- french fries
- milk
- soft drinks
- ice cream

In general, children are less likely to order the following items than most customers
- breakfast sandwiches
- omelets or other eggs
- seafood/fish
- steak/ground beef/prime rib
- side dish salads

In sum . . .

Families of the 1980s present definite opportunities for restaurateurs. They generally have higher incomes, less time or desire to cook at home and a greater willingness to dine out than families of the 1950s. The challenge facing restaurateurs is to provide a convenient, high quality, reasonably-priced and entertaining dining experience for both parents and children. ❑

Tips for capturing more family business

- **Appeal to the kids.** Children have a great deal of influence on parents' decisions to dine out and can be loyal patrons.
- **Entertainment.** Offer puzzles or crayons to color menus or paper tablecloths. Bring in a clown for a day—anything to entertain young children and prevent restlessness.
- **Breakfast.** Emphasize breakfast as an ideal meal for parents and children to spend time together—a leisurely weekend brunch or even a quick breakfast before work and school.
- **Specials.** Offer specials geared around children's favorite foods, such as hamburgers or french fries.
- **Menus.** Develop whimsical children's menus with smaller portions and lower prices to appeal to children's imagination as well as parents' budgets.
- **Nutrition.** Offer well-balanced, complete meals for children and point out the vitamins, minerals and major food groups included in your items. Be sure to substantiate any nutritional claims, however.
- **Facilities.** Make sure high chairs, booster chairs or even bibs are available to make dining out as easy as possible for parents.
- **Convenience.** Emphasize convenience factors, such as speedy service and a wide range of take out items for busy parents on the go.
- **Children's parties.** Develop a convenient arrangement for children's parties. This is an effective way to promote your facilities.
- **Separate dining areas.** Create a special area for kids. This can keep other customers from being disturbed and make the children feel special.
- **Day Care Centers.** Restaurateurs can tap a whole new market by providing food for the growing number of day care centers.

RESTAURANT BUDGETING

Step by Step

Many restaurateurs do not look forward to preparing a yearly budget. But it doesn't have to be a dreaded process as this step-by-step approach to restaurant budgeting demonstrates.

by Maurice P. Minno and Rohit Bhayana

Budgeting is a financial plan. It is a forecast of the sales your restaurant can achieve and the expenses required to achieve those sales. The budgeting process is comprised of three distinct phases, each one deriving information from the one before:

- **the evaluation phase,** which makes sense of your restaurant's past performance and identifies those factors that may influence the future
- **the planning phase,** which uses the information compiled during the evaluation to forecast the budget and
- **the control phase,** which uses the budget cost during planning to keep track of monthly performance.

The evaluation phase

During the evaluation phase you analyze both the external factors (outside of your control) that influence the restaurant's business and the internal factors (within your control) that determine the future performance of the restaurant.

The external factors include your restaurant's sales generators, competition, community events and the local economy. Also included are items that may affect the expense side of the financial statement, such as actions by local governments, utility companies and labor unions. Although you have very little control over these items, you nevertheless have to account for them when casting the budget.

The most important of the external factors are the sales generators. The sales generators are the office buildings, residential areas, schools and any other business or gathering of people that may generate sales for the restaurant. You need to discover and categorize each one of these, by speaking with and listening to patrons, surveying the local area to determine current and future sources of business and by visiting the local chamber of commerce or city planning commissions to learn of any new developments, such as office buildings, that may be on the planning boards. Each one of the sales generators should be identified and categorized and special characteristics should be noted, such as age groups, estimated income levels, in-house eating facilities and hours of operation. This information will then be used as a reference when the budget is developed.

Evaluating competitors . . .

The second step of the external evaluation process is to analyze your restaurant's competitors. What the competition is doing will greatly affect your restaurant's potential sales volume. You should visit each competitive restaurant and obtain answers to the following questions:

1. **What menu prices are charged, and how do they compare to your restaurant?** If you discover that your competition is charging higher prices for similar menu items, you may be able to raise your prices and increase your sales. Of course, you would have to consider how guest counts may drop if prices are increased.
2. **What portion sizes are being served?** Obviously, you cannot carry a portion scale with you and weigh food portions before you eat them. But you can compare the competition's portion sizes to your own. Based on these observations, you can determine if your portion sizes are appropriate. You may find that your portion sizes are considerably larger than those of your competitors. Thus you may be able to cut back on portions served.
3. **What types of marketing strategies are competitive restaurants undertaking?** You should regularly read newspapers and monitor other media, such as radio, to gain insight into your competitors' marketing strategies and to determine if your own marketing budget is adequate.
4. **What is unique and attractive about each competitive restaurant?** The reasons why people go to a certain restaurant over others are very difficult to quantify. However, you must make an attempt to discover what makes each of your competitors "tick." Is it the magnetism of the

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Maurice P. Minno is a principal and Rohit Bhayana is an associate of MDR Associates in Fairfax, VA, a professional hospitality management, consulting and commercial kitchen design firm.

owner, the decor, ambiance or menu items? You can then use these findings to evaluate which of your strengths could be incorporated into your restaurant.

The third step in the external evaluation process is to analyze local community events. You should know when each major event takes place so you can judge what effect, if any, it could have on your sales. Community events include such activities as local church bazaars, festivals, carnivals and rock concerts. Usually a calendar of such events can be obtained from your local visitors bureau.

Evaluating the economic conditions . . .

The fourth step of the external evaluation process is to analyze economic conditions outside of your restaurant. You must investigate the stability of suppliers, utility companies, the local government and other such entities to determine if any changes in their financial performance will affect your business. Some questions you need to ask include:

1. **How is the economy progressing?** Are conditions expected to get better or worse? In each case, how will the changes affect your business?
2. **Will local utility companies be increasing prices?** Price increases will affect your restaurant's utility expenses.
3. **What is the financial stability of your suppliers?** Are any of them threatening to go out of business, thus forcing your restaurant to buy from other suppliers whose products may be more expensive?
4. **Are any major increases in foods or other costs anticipated that may greatly affect your restaurant's sales?**

Analyzing internal financial data . . .

Once all the external factors have been compiled and analyzed, the next step is to analyze your internal financial data. The internal data that should be analyzed are:

1. profit and loss statements
2. employee schedules
3. average checks and
4. guest counts.

The picture of a restaurant's financial health is usually the profit and loss statement. If available, you should use at least three statements from previous years for this step. Each line on the statement needs to be analyzed. One of the better methods of analysis is called trend analysis. Trend analysis involves taking each line of the statement and calculating the percentage and dollar changes from year to year.

For example, between years one and two, a restaurant's sales may have increased from $700,000 to $800,000. The increase is $100,000 and amounts to a 14.3 percent increase ($100,000 divided by the base of $700,000 times 100). If food cost increased from 35 percent to 38 percent, the cost has increased by 8.6 percent (three percentage points difference, divided by the 35 percent base times 100). Similarly, the trends of all other line items are calculated. To assist with the trend analysis process, a form with columns for dollar changes and percentage changes

Comparative Financial Statements Worksheet

Date prepared: ____________

	YR.			YR.				YR.			
Sales	$		%*	$		%*	** CHG.	$		%*	*** CHG.
Food											
Beverage											
Banquet											
Other											
Total sales											
Cost of Sales											
Food											
Beverage											
Other											
Total cost of sales											
Gross profit											
Controllables											
Payroll											
Payroll taxes and benefits											
Direct operating expenses											
Music & entertainment											
Advertising & promotion											
Utilities											
Administration & general											
Repairs & maintenance											
Total controllables											
Profit before occupation costs											
Occupation costs											
Profit before depreciation											
Depreciation											
Profit before income tax											
Income tax											
Net profit											

*The percentage columns are percentages of total sales.

**Use the first year as a base. Subtract the second year from the first year, divide by the base and multiply by 100 to obtain the percentage change. For sales items, use the dollar change to calculate the percentage change. For expense items, use the percentage to sales.

***The changes for year three are calculated by using year two as a base.

Note: *(1) All negative trends, such as decreasing sales or increasing costs, should be starred or circled with a red pencil to highlight the problem.*

(2) The process is repeated the next year using the additional year's financial data and omitting the least recent statement.

Date prepared: ____________
Year: ________
Month: ______

Budget Worksheet

	Budget Figures		Actual Figures*		Variance***		Comments
Sales******	$	%**	$	%**	$	%	(Reasons for variances)
Food							
Beverage							
Banquet							
Other							
Total sales							
Cost of Sales							
Food							
Beverage							
Banquet							
Other							
Total cost of sales							
Gross profit							
Controllables							
Payroll							
Payroll taxes and benefits							
Direct operating expenses							
Music & entertainment							
Advertising & promotion							
Utilities							
Administration & general							
Repairs & maintenance							
Total controllables							
Profit before occupation costs							
Occupation costs							
Profit before depreciation							
Depreciation							
Profit before income tax							
Income tax							
Net profit							

*As each month ends, actual figures are written onto form.

**The percentage columns are percentages of total sales.

***For each item in the variance column, the actual dollars are subtracted from the budgeted dollars to calculate the dollar variance. The dollar change is divided by the budgeted amount and multiplied by 100 to calculate the variance percentage. Decreases in sales items and increases in costs should be highlighted with a red pencil and classified as either significant or insignificant, as described in the article.

****Use information from sales projection worksheet.

should be developed. See the accompanying worksheet for ideas.

After all the variances from year to year have been calculated, you must judge whether the trends are favorable or unfavorable. What may at first analysis seem a favorable trend—such as decreasing food cost—may be unfavorable if the decrease is at the expense of smaller portion sizes or less expensive ingredients, which lead to decreasing guest counts.

You also must determine if this trend is significant. A food cost increase from 36 percent to 36.1 percent should not be cause for alarm, while an increase from 36 percent to 40 percent should cause concern. Each variance that is both unfavorable and significant should become a subject for the planning phase in which methods are generated to return unfavorable variance items to a favorable status.

The second source of internal factors that should be evaluated is employee schedules. One typical schedule for each month should suffice. The schedule should include scheduled hours, wage rates and actual hours worked with actual wages paid. The schedules are combined with other information, such as anticipated wage increases or additions to staff, to forecast the labor for the year.

The third source of internal information for the evaluation phase analysis is average check size and guest counts. Both of these statistics should be maintained for each meal period on a daily basis.

A trend analysis follows, reflecting percentage and dollar changes. The trends are then judged as either favorable or unfavorable. The results of the analysis become the bases for projections in the planning phase.

The planning phase

Once you have completed the evaluation phase, most of your work is done. The next step is to take all the information and the analysis of the evaluation phase to cast the budget so you will have the following:

1. anticipated sales and expenses for the year and for each month of the year
2. the achievable level of profit
3. an indication of when during the year cash shortages or cash excesses may occur and
4. a road map that functions as a control upon the financial performance of the operation.

Projecting sales figures . . .

The first step in the planning phase is the projection of sales. You should use the analysis of the external and internal factors in the evaluation process to arrive at projected sales figures. The projections should be made for each typical day of the week during each month of the year. For example, if January of the budgeted year has five Mondays, the number five is multiplied by the projected average check and by the projected guest counts to obtain the sales for all Mondays in the month of January. The process is repeated for each day of the week and each month. The figures for the 12 months are added to obtain the year's forecasts. (See accompanying worksheet.)

The step-by-step budgeting recipe

Step one

The evaluation phase

1. Evaluate the sales generators
2. Evaluate the competition
3. Evaluate community activities
4. Evaluate other economic factors
5. Evaluate the restaurant's internal financial data

Step two

The planning phase

1. Plan the sales
2. Plan food cost and beverage cost
3. Plan payroll cost
4. Plan controllable expenses
5. Plan other expenses
6. Plan the profit level

Step three

The control phase

1. Control through comparisons of actual results to budgeted amounts
2. Control through evaluating significant variances and determining causes of the variances
3. Control through timely reactions upon significantly unfavorable variances

Both food sales and beverage sales may be forecast using the same methods. However, cover counts for beverage sales are often not available. In that case, the beverage sales can be projected by using a historical ratio of food sales to beverage sales. The forecast may be adjusted to reflect information that was analyzed in the evaluation phase. Other sales, such as banquet sales, can also be projected using similar techniques.

The second step in the planning phase is the forecasting of the cost of goods sold. The cost of goods sold is the cost of food items and the cost of beverages. Again, the information analyzed in the evaluation phase forms the basis for future predictions. If the food cost percentage has been increasing, you can forecast an increase at the same percentage. If, however, you plan to reduce portion sizes or use less expensive ingredients, you can forecast a decrease in the cost.

Forecasting the payroll . . .

The third step in the planning phase is to forecast the payroll. Based on the new sales projections, staff levels may have to be changed and wages and salaries may have to be adjusted as well. After accounting for these changes, you should forecast payroll cost for a typical week during each month and multiply that week's cost by the number of weeks in the month to obtain a monthly cost. Employee benefits and payroll taxes are added on as a percentage of total sales based on historical analysis and any projected increases.

The fourth step in the planning phase is to forecast controllable expenses. Controllable expenses consist of direct operating expenses, music and entertainment, advertising and promotion, utilities, administrative and general expenses and repairs and maintenance. A description of each expense can be found in *The Uniform System of Accounts for Restaurants** available through the National Restaurant Association. As before, base your projections on the previous years' analysis and any other facts discovered during the evaluation phase.

The controllable expenses are normally projected at a percentage of total sales, except for music and entertainment and advertising and sales promotion expenses, which may be forecast as dollar amounts based on your plans and current practices. For example, if you plan to hire a harp player, be sure to reflect this added expense under music and entertainment.

The fifth step of the planning phase is to forecast non-controllable expenses or occupation costs, such as rent, property taxes, insurance and other taxes excluding income tax.

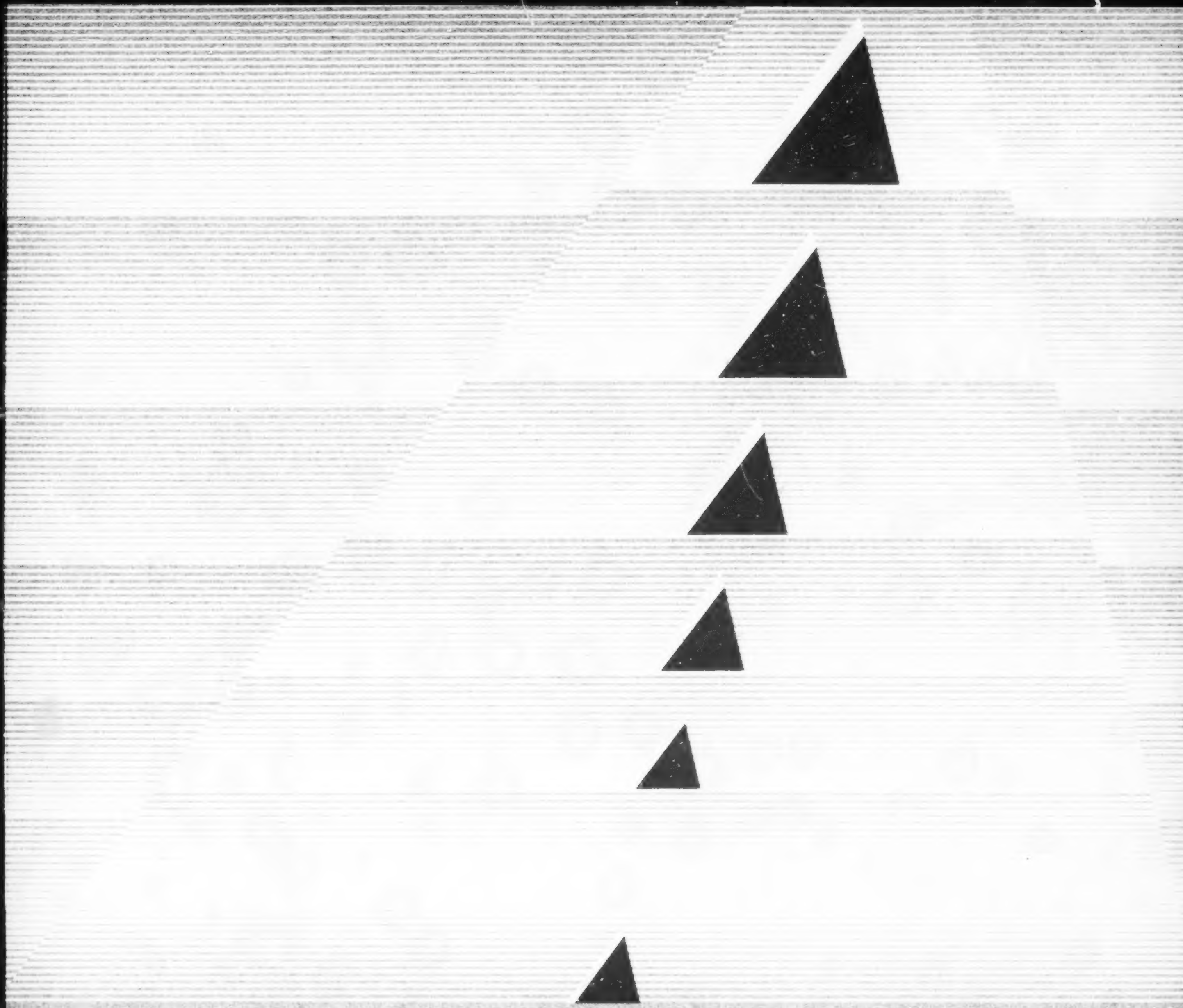
**The Uniform System of Accounts for Restaurants* has been revised in 1983. It is available for $14.95 plus $2.00 for postage and handling. Pre-paid orders should be sent to NRA, 311 First St., N.W., Washington, DC 20001.

Year: ______________________

Meal period: ______________________

Sales Projection Worksheet

MONTH		JAN.	FEB.	MAR.	APR.	MAY	JUN.	JUL.	AUG.	SEPT.	OCT.	NOV.	DEC.
SUN.	Number of days												
	× Average check												
	× Guest count												
	Total												
MON.	Number of days												
	× Average check												
	× Guest count												
	Total												
TUES.	Number of days												
	× Average check												



SIX MONTH SEMINAR SCHEDULE

SEMINARS

JANUARY-JUNE 1985

NATIONAL RESTAURANT ASSOCIATION

INTRODUCTION

The National Restaurant Association is pleased to present its January–June 1985 Education Programs Schedule. You'll note some dramatic changes in our programming—all designed to better meet the needs of the industry. At the forefront of these changes is the decision to catagorize our programs to make it easier for you to plan your educational calendar.

Basic instruction on specific foodservice skills remains at the foundation of our educational programs. These basic or introductory courses fall appropriately within the category *Basic Foodservice Courses*. The programs in this series are among our more popular seminars, however, numerous operators have told us that costs have prohibited them from sending multiple attendees. In response, NRA has reduced the price of these basic seminars to a very affordable level.

In our second category—*Food Production Courses*—we focus on the topic which is the lifeblood of your operation—food preparation. As always, we will continue to provide the most professional and current information in every area of food production.

The third major category—*Foodservice Management Courses*—offers a variety of seminars aimed at a more advanced or specialized audience.

This breakdown should make it easier to plan an educational seminar calendar for you and your staff in 1985. But don't stop there—we have even more for you. We are offering two excellent national conferences—the National Management Conference for Independent Operators and the second National Conference on Computers in Foodservice. These forums offer you an opportunity to explore two important segments of our industry.

Please remember, we will be happy to provide you more detailed information on any of the programs which interest you. Let us help you plan for growth.

BASIC FOODSERVICE COURSES

Basic Supervision in Foodservice

1/22	Tucson, AZ
2/26	Covington, KY
3/5	Kansas City, MO
4/9	Wilmington, DE
6/11	Orlando, FL
6/26	Seattle, WA

Computers in Foodservice: A Primer

4/23	Denver, CO
5/18	Chicago, IL
6/3	Boston, MA
6/10	Philadelphia, PA
6/25	Minneapolis, MN

Dining Room Management

1/16	Frederick, MD
1/24	Pittsburgh, PA
2/12	Dallas, TX
2/13	Salt Lake City, UT
2/19	Los Angeles, CA
3/13	Cherry Hill, NJ
3/20	Reston, VA
4/3	Des Moines, IA
4/16	Albany, NY
4/18	Meadowlands, NJ
4/22	Savannah, GA
4/24	Pompano Beach, FL
5/7	Greensboro, NC
5/14	Halifax, Nova Scotia, Canada
5/19	Chicago, IL
6/17	Annapolis, MD
6/19	Jackson, MS

Increasing Foodservice Productivity

2/18	Los Angeles, CA
4/19	Portland, OR
4/22	Kansas City, MO
5/18	Chicago, IL
6/18	Westchester, NY

Kitchen Management

1/22	San Diego, CA
1/24	Reno, NV
2/13	Springfield, VA
3/5	Allentown, PA
3/7	Providence, RI
3/19	Rockville, MD
3/21	Rochester, NY
4/2	Burlington, VT
4/4	Manchester, NH
4/9	Atlanta, GA
4/10	Houston, TX
4/14	Bismarck, ND
4/16	Detroit, MI
5/9	St. Louis, MO
5/19	Chicago, IL
6/10	Orlando, FL
6/19	Hartford, CT

Opening a Restaurant: Before You Start Cooking . . .

2/26	Rochester, NY
3/12	Indianapolis, IN
5/19	Chicago, IL
6/3	Lexington, KY
6/26	Grand Rapids, MI

People-power and Profits

3/27	Oklahoma City, OK
4/10	Cleveland, OH
5/29	Williamsburg, VA

Tools for Training

2/11	Dallas, TX
2/26	Springfield, MA
2/28	Baltimore, MD
3/19	Knoxville, TN
3/21	Louisville, KY
4/16	Richmond, VA
4/18	Milwaukee, WI
5/9	Omaha, NE

FOOD PRODUCTION COURSES

American Regional Cookery

2/5	Atlanta, GA
4/23	Minneapolis, MN
4/25	Denver, CO
5/7	Portland, OR
5/9	Seattle, WA

The Pantry: Prep for Profit

2/18	Los Angeles, CA
2/20	Seattle, WA
4/17	Milwaukee, WI
6/11	Orlando, FL

Perfecting Your Culinary Skills

2/19	Los Angeles, CA
2/21	Chicago, IL
3/19	Portland, OR
3/21	Seattle, WA
4/2	St. Louis, MO
6/5	Hyannis, MA

Simplified Baking Workshop

2/12	Dallas, TX
3/26	Wichita, KS
3/28	Minneapolis, MN
6/6	Detroit, MI

Soups & Sauces

1/15	Los Angeles, CA
2/11	Dallas, TX
2/13	Oklahoma City, OK
3/12	Meadowlands, NJ
3/14	Detroit, MI
6/10	Orlando, FL
6/12	Columbia, SC

FOODSERVICE MANAGEMENT COURSES

Computers in Foodservice: Advanced

4/24	Denver, CO
5/19	Chicago, IL
6/4	Boston, MA
6/11	Philadelphia, PA
6/26	Minneapolis, MN

Creative Merchandising Techniques

2/27	Las Vegas, NV
3/6	New Orleans, LA
3/13	Concord, NH
4/16	Boston, MA
5/18	Chicago, IL
6/24	Cincinnati, OH

Food Cost Management

2/19	Columbus, OH
2/21	Long Island, NY
3/25	Toronto, Ontario, Canada
4/9	Lancaster, PA
4/11	Portland, ME
4/30	Tulsa, OK
5/2	Little Rock, AR
6/25	Madison, WI
6/27	Billings, MT

Hospitality Workshop

1/29-30	Boston, MA	Full Service
2/6-7	Nashville, TN	Full Service
4/22-23	Long Island, NY	Full Service
4/24-25	Long Island, NY	Fast Food
5/7-8	Minneapolis, MN	Full Service

Location! Location! Location! How to Successfully Negotiate and Finance Your New Operation

1/14-15	Los Angeles, CA
3/6-7	Dallas, TX
4/1-2	San Francisco, CA

Menu Development

1/24	Denver, CO
3/10	Washington, DC
4/17	Philadelphia, PA
4/23	Charlotte, NC
5/18	Chicago, IL
6/19	Norfolk, VA

Off-Premise Catering

1/21-22	Indianapolis, IN
2/11-12	Dallas, TX
3/25-26	Philadelphia, PA
4/29-30	Columbus, OH
5/6-7	San Francisco, CA
6/3-4	Portland, OR
6/24-25	Denver, CO

Operational Analysis

2/26-27	Las Vegas, NV
5/1-2	Boston, MA
5/18-19	Chicago, IL
6/5-6	Los Angeles, CA

Planning and Implementing Restaurant Marketing Strategy

1/22-23	Cincinnati, OH
3/19-20	Boston, MA
4/16-17	Baltimore, MD
5/18-19	Chicago, IL
6/10-11	Orlando, FL

Restaurant Design & Facilities Planning

2/18-19	Los Angeles, CA
3/4-5	Tampa, FL
5/18-19	Chicago, IL

National Conferences

1/27-30	National Management Conference for Independent Operators New Orleans, LA
3/24-27	National Conference on Computers in Foodservice Las Vegas, NV

Guarantee*—If you are not satisfied that the knowledge gained at the seminar is useful and will help you to do a better job, we will give you a full refund of your entire seminar fee. If you should feel the need to request such a refund, please write within 10 days of your course attendance to: Larry Fidel, Education Programs, National Restaurant Association, 311 First St., N.W., Washington, DC 20001.*

Continuing education credit*—The International Food Service Executives Association (IFSEA), the Hospital, Institution & Educational Food Service Society (HIEFSS) and the American Culinary Federation (ACF) have approved NRA's courses for continuing education credit.*

Tax deductible*—Your attendance at this NRA seminar is tax deductible, according to Treasury Regulation 1.162-5.*

Discount for multiple attendance*—When two or more attendees register from the same company, each will receive a discount off the regular registration fee.* ***Special discounts available for larger groups.***

In-House Programs

If you are a small to mid-sized multi-unit operator of restaurants, hotels or fast food outlets, in-house seminar presentations are ideal for you. For more information see "Seminars to Go" above the registration form.

REGISTRATION FEE

Basic Foodservice Courses

(No discount applies)

Member*	Non-member
$95	$125

Food Production Courses

Number of people attending from your organization	Member*	Non-member
One person	$145	$185
Two or more	$130 ea.	$170 ea.

Foodservice Management Courses

One-day seminars	Member*	Non-member
One person	$145	$185
Two or more	$130 ea.	$170 ea.
Two-day seminars		
One person	$310	$390
Two or more	$270 ea.	$350 ea.

*NRA or co-sponsoring state association

NRA SEMINARS BY STATE
JANUARY– JUNE 1985

Canada

3/25	**Food Cost Management**	Toronto, Ontario
5/14	**Dining Room Management**	Halifax, Nova Scotia

Arizona

1/22	Basic Supervision in Foodservice	Tucson

Arkansas

5/2	Food Cost Management	Little Rock

California

1/14-15	Location! Location! Location! How to Successfully Negotiate and Finance Your New Operation	Los Angeles
1/15	Soups and Sauces	Los Angeles
1/22	Kitchen Management	San Diego
2/18	Increasing Foodservice Productivity	Los Angeles
2/18	The Pantry: Prep for Profit	Los Angeles
2/19	Dining Room Management	Los Angeles
2/19	Perfecting Your Culinary Skills	Los Angeles
2/18-19	Restaurant Design & Facilities Planning	Los Angeles
4/1-2	Location! Location! Location! How to Successfully Negotiate and Finance Your New Operation	San Francisco
5/6-7	Off-Premise Catering	San Francisco
6/5-6	Operational Analysis	Los Angeles

Colorado

1/24	Menu Development	Denver
4/23	Computers in Foodservice: A Primer	Denver
4/24	Computers in Foodservice: Advanced	Denver
4/25	American Regional Cookery	Denver
6/24-25	Off-Premise Catering	Denver

Connecticut

6/19	Kitchen Management	Hartford

Delaware

4/9	Basic Supervision in Foodservice	Wilmington

District of Columbia

1/16	Dining Room Management	Frederick, MD
2/13	Kitchen Management	Springfield, VA
3/10	Menu Development	Washington, DC
3/19	Kitchen Management	Rockville, MD
3/20	Dining Room Management	Reston, VA

Florida

3/4-5	Restaurant Design & Facilities Planning	Tampa
4/24	Dining Room Management	Pompano Beach
6/10	Kitchen Management	Orlando
6/10	Soups and Sauces	Orlando
6/10-11	Planning and Implementing Restaurant Marketing Strategy	Orlando
6/11	Basic Supervision in Foodservice	Orlando
6/11	The Pantry: Prep for Profit	Orlando

Georgia

2/5	American Regional Cookery	Atlanta
4/9	Kitchen Management	Atlanta
4/22	Dining Room Management	Savannah

Illinois

2/21	Perfecting Your Culinary Skills	Chicago

In addition we will hold the following seminars at the NRA Show in Chicago, May 18–19

5/18	Computers in Foodservice: A Primer
5/18	Creative Merchandising Techniques
5/18	Menu Development
5/18	Increasing Foodservice Productivity
5/18-19	Planning and Implementing Restaurant Marketing Strategy
5/18-19	Restaurant Design & Facilities Planning
5/18-19	Operational Analysis
5/19	Computers in Foodservice: Advanced
5/19	Opening a Restaurant: Before You Start Cooking . . .
5/19	Kitchen Management
5/19	Dining Room Management

Indiana

1/21-22	Off-Premise Catering	Indianapolis
3/12	Opening a Restaurant: Before You Start Cooking . . .	Indianapolis

Iowa

4/3	Dining Room Management	Des Moines

Kansas

3/26	Simplified Baking Workshop	Wichita

Kentucky

2/26	Basic Supervision in Foodservice	Covington
3/21	Tools for Training	Louisville
6/3	Opening a Restaurant: Before You Start Cooking . . .	Lexington

Louisiana

1/27-30	National Management Conference for Independent Operators	New Orleans
3/6	Creative Merchandising Techniques	New Orleans

Maine

4/11	Food Cost Management	Portland

Maryland

1/16	Dining Room Management	Frederick
2/28	Tools for Training	Baltimore
3/19	Kitchen Management	Rockville
4/16-17	Planning and Implementing Restaurant Marketing Strategy	Baltimore
6/17	Dining Room Management	Annapolis

Massachusetts

1/29-30	Hospitality Workshop: Full Service	Boston
2/26	Tools for Training	Springfield
3/19-20	Planning and Implementing Restaurant Marketing Strategy	Boston
4/16	Creative Merchandising Techniques	Boston
5/1-2	Operational Analysis	Boston
6/3	Computers in Foodservice: A Primer	Boston
6/4	Computers in Foodservice: Advanced	Boston
6/5	Perfecting Your Culinary Skills	Hyannis

Michigan

3/14	Soups and Sauces	Detroit
4/16	Kitchen Management	Detroit
6/6	Simplified Baking Workshop	Detroit
6/26	Opening a Restaurant: Before You Start Cooking . . .	Grand Rapids

Minnesota

3/28	Simplified Baking Workshop	Minneapolis
4/23	American Regional Cookery	Minneapolis
5/7-8	Hospitality Workshop: Full Service	Minneapolis
6/25	Computers in Foodservice: A Primer	Minneapolis
6/26	Computers in Foodservice: Advanced	Minneapolis

Mississippi

6/19	Dining Room Management	Jackson, MS

Missouri

3/5	Basic Supervision in Foodservice	Kansas City
4/2	Perfecting Your Culinary Skills	St. Louis
4/22	Increasing Foodservice Productivity	Kansas City
5/9	Kitchen Management	St. Louis

Montana

6/27	Food Cost Management	Billings

Nebraska

5/9	Tools for Training	Omaha

Nevada

1/24	Kitchen Management	Reno
2/26-27	Operational Analysis	Las Vegas
2/27	Creative Merchandising Techniques	Las Vegas
3/24-27	National Conference on Computers in Foodservice	Las Vegas

New Hampshire

3/13	Creative Merchandising Techniques	Concord
4/4	Kitchen Management	Manchester

New Jersey

3/12	Soups and Sauces	Meadowlands
3/13	Dining Room Management	Cherry Hill
4/18	Dining Room Management	Meadowlands

New York

2/21	Food Cost Management	Long Island
2/26	Opening a Restaurant: Before You Start Cooking . . .	Rochester
3/21	Kitchen Management	Rochester
4/16	Dining Room Management	Albany
4/22-23	Hospitality Workshop: Full Service	Long Island
4/24-25	Hospitality Workshop: Fast Food	Long Island
6/18	Increasing Foodservice Productivity	Westchester

North Carolina

4/23	Menu Development	Charlotte
5/7	Dining Room Management	Greensboro

North Dakota

4/14	Kitchen Management	Bismarck

Ohio

1/22-23	Planning and Implementing Restaurant Marketing Strategy	Cincinnati
2/19	Food Cost Management	Columbus
4/10	People-power and Profits	Cleveland
4/29-30	Off-Premise Catering	Columbus
6/24	Creative Merchandising Techniques	Cincinnati

Oklahoma

2/13	Soups and Sauces	Oklahoma City
3/27	People-power and Profits	Oklahoma City
4/30	Food Cost Management	Tulsa

Oregon

3/19	Perfecting Your Culinary Skills	Portland
4/19	Increasing Foodservice Productivity	Portland
5/7	American Regional Cookery	Portland
6/3-4	Off-Premise Catering	Portland

Pennsylvania

1/24	Dining Room Management	Pittsburgh
3/5	Kitchen Management	Allentown
3/25-26	Off-Premise Catering	Philadelphia
4/9	Food Cost Management	Lancaster
4/17	Menu Development	Philadelphia
6/10	Computers in Foodservice: A Primer	Philadelphia
6/11	Computers in Foodservice: Advanced	Philadelphia

Rhode Island

3/7	Kitchen Management	Providence

South Carolina

6/12	Soups and Sauces	Columbia

Tennessee

2/6-7	Hospitality Workshop: Full Service	Nashville
3/19	Tools for Training	Knoxville

Texas

2/11	Soups and Sauces	Dallas
2/11	Tools for Training	Dallas
2/12	Dining Room Management	Dallas
2/12	Simplified Baking Workshop	Dallas
2/11-12	Off-Premise Catering	Dallas
3/6-7	Location! Location! Location! How to Successfully Negotiate and Finance Your New Operation	Dallas
4/10	Kitchen Management	Houston

Utah

2/13	Dining Room Management	Salt Lake City

Vermont

4/2	Kitchen Management	Burlington

Virginia

2/13	Kitchen Management	Springfield
3/20	Dining Room Management	Reston
4/16	Tools for Training	Richmond
5/29	People-power and Profits	Williamsburg
6/19	Menu Development	Norfolk

Washington

2/20	The Pantry: Prep for Profit	Seattle
3/21	Perfecting Your Culinary Skills	Seattle
5/9	American Regional Cookery	Seattle
6/26	Basic Supervision in Foodservice	Seattle

Wisconsin

4/17	The Pantry: Prep for Profit	Milwaukee
4/18	Tools for Training	Milwaukee
6/25	Food Cost Management	Madison

NRA SEMINARS BY
DATE
JANUARY–JUNE 1985

January

1/14-15	Location! Location! Location! How to Successfully Negotiate and Finance Your New Operation	Los Angeles, CA
1/15	Soups and Sauces	Los Angeles, CA
1/16	Dining Room Management	Frederick, MD
1/21-22	Off-Premise Catering	Indianapolis, IN
1/22	Basic Supervision in Foodservice	Tucson, AZ
1/22	Kitchen Management	San Diego, CA
1/22-23	Planning and Implementing Restaurant Marketing Strategy	Cincinnati, OH
1/24	Menu Development	Denver, CO
1/24	Dining Room Management	Pittsburgh, PA
1/24	Kitchen Management	Reno, NV
1/27-30	National Management Conference for Independent Operators	New Orleans, LA
1/29-30	Hospitality Workshop: Full Service	Boston, MA

February

2/5	American Regional Cookery	Atlanta, GA
2/6-7	Hospitality Workshop: Full Service	Nashville, TN
2/11-12	Off-Premise Catering	Dallas, TX
2/11	Soups and Sauces	Dallas, TX
2/11	Tools for Training	Dallas, TX
2/12	Dining Room Management	Dallas, TX
2/12	Simplified Baking Workshop	Dallas, TX
2/13	Soups and Sauces	Oklahoma City, OK
2/13	Dining Room Management	Salt Lake City, UT
2/13	Kitchen Management	Springfield, VA
2/18-19	Restaurant Design & Facilities Planning	Los Angeles, CA
2/18	Increasing Foodservice Productivity	Los Angeles, CA
2/18	The Pantry: Prep for Profit	Los Angeles, CA
2/19	Food Cost Management	Columbus, OH
2/19	Dining Room Management	Los Angeles, CA
2/19	Perfecting Your Culinary Skills	Los Angeles, CA
2/20	The Pantry: Prep for Profit	Seattle, WA
2/21	Food Cost Management	Long Island, NY
2/21	Perfecting Your Culinary Skills	Chicago, IL
2/26	Opening a Restaurant: Before You Start Cooking . . .	Rochester, NY
2/26	Basic Supervision in Foodservice	Covington, KY
2/26-27	Operational Analysis	Las Vegas, NV
2/26	Tools for Training	Springfield, MA
2/27	Creative Merchandising Techniques	Las Vegas, NV
2/28	Tools for Training	Baltimore, MD

March

3/4-5	Restaurant Design & Facilities Planning	Tampa, FL
3/5	Basic Supervision in Foodservice	Kansas City, MO
3/5	Kitchen Management	Allentown, PA
3/6-7	Location! Location! Location! How to Successfully Negotiate and Finance Your New Operation	Dallas, TX
3/6	Creative Merchandising Techniques	New Orleans, LA
3/7	Kitchen Management	Providence, RI
3/10	Menu Development	Washington, DC
3/12	Opening a Restaurant: Before You Start Cooking . . .	Indianapolis, IN
3/12	Soups and Sauces	Meadowlands, NJ
3/13	Creative Merchandising Techniques	Concord, NH
3/13	Dining Room Management	Cherry Hill, NJ
3/14	Soups and Sauces	Detroit, MI
3/19-20	Planning and Implementing Restaurant Marketing Strategy	Boston, MA
3/19	Kitchen Management	Rockville, MD
3/19	Perfecting Your Culinary Skills	Portland, OR
3/19	Tools for Training	Knoxville, TN
3/20	Dining Room Management	Reston, VA
3/21	Perfecting Your Culinary Skills	Seattle, WA
3/21	Kitchen Management	Rochester, NY
3/21	Tools for Training	Louisville, KY
3/24-27	National Conference on Computers in Foodservice	Las Vegas, NV
3/25-26	Off-Premise Catering	Philadelphia, PA
3/25	Food Cost Management	Toronto, Ontario, Canada
3/26	Simplified Baking Workshop	Wichita, KS
3/27	People-power and Profits	Oklahoma City, OK
3/28	Simplified Baking Workshop	Minneapolis, MN

April

4/1-2	Location! Location! Location! How to Successfully Negotiate and Finance Your New Operation	San Francisco, CA
4/2	Kitchen Management	Burlington, VT
4/2	Perfecting Your Culinary Skills	St. Louis, MO
4/3	Dining Room Management	Des Moines, IA
4/4	Kitchen Management	Manchester, NH
4/9	Food Cost Management	Lancaster, PA
4/9	Kitchen Management	Atlanta, GA
4/9	Basic Supervision in Foodservice	Wilmington, DE
4/10	People-power and Profits	Cleveland, OH
4/10	Kitchen Management	Houston, TX
4/11	Food Cost Management	Portland, ME
4/14	Kitchen Management	Bismarck, ND
4/16-17	Planning and Implementing Restaurant Marketing Strategy	Baltimore, MD
4/16	Creative Merchandising Techniques	Boston, MA
4/16	Kitchen Management	Detroit, MI
4/16	Dining Room Management	Albany, NY
4/16	Tools for Training	Richmond, VA
4/17	Menu Development	Philadelphia, PA
4/17	The Pantry: Prep for Profit	Milwaukee, WI
4/18	Tools for Training	Milwaukee, WI
4/18	Dining Room Management	Meadowlands, NJ
4/19	Increasing Foodservice Productivity	Portland, OR
4/22-23	Hospitality Workshop: Full Service	Long Island, NY
4/22	Increasing Foodservice Productivity	Kansas City, MO
4/22	Dining Room Management	Savannah, GA
4/23	Menu Development	Charlotte, NC
4/23	American Regional Cookery	Minneapolis, MN
4/23	Computers in Foodservice: A Primer	Denver, CO
4/24-25	Hospitality Workshop: Fast Food	Long Island, NY
4/24	Dining Room Management	Pompano Beach, FL
4/24	Computers in Foodservice: Advanced	Denver, CO
4/25	American Regional Cookery	Denver, CO
4/29-30	Off-Premise Catering	Columbus, OH
4/30	Food Cost Management	Tulsa, OK

May

5/1-2	Operational Analysis	Boston, MA
5/2	Food Cost Management	Little Rock, AR
5/6-7	Off-Premise Catering	San Francisco, CA
5/7	Dining Room Management	Greensboro, NC
5/7	American Regional Cookery	Portland, OR
5/7-8	Hospitality Workshop: Full Service	Minneapolis, MN
5/9	American Regional Cookery	Seattle, WA
5/9	Tools for Training	Omaha, NE
5/9	Kitchen Management	St. Louis, MO
5/14	Dining Room Management	Halifax, Nova Scotia, Canada
5/18	Computers in Foodservice: A Primer	Chicago, IL
5/18	Creative Merchandising Techniques	Chicago, IL
5/18	Menu Development	Chicago, IL
5/18	Increasing Foodservice Productivity	Chicago, IL
5/18-19	Planning and Implementing Restaurant Marketing Strategy	Chicago, IL
5/18-19	Restaurant Design & Facilities Planning	Chicago, IL
5/18-19	Operational Analysis	Chicago, IL
5/19	Computers in Foodservice: Advanced	Chicago, IL

5/19	Opening a Restaurant: Before You Start Cooking . . .	Chicago, IL
5/19	Kitchen Management	Chicago, IL
5/19	Dining Room Management	Chicago, IL
5/29	People-power and Profits	Williamsburg, VA

June

6/3	Opening a Restaurant: Before You Start Cooking . . .	Lexington, KY
6/3	Computers in Foodservice: A Primer	Boston, MA
6/3-4	Off-Premise Catering	Portland, OR
6/4	Computers in Foodservice: Advanced	Boston, MA
6/5	Perfecting Your Culinary Skills	Hyannis, MA
6/5-6	Operational Analysis	Los Angeles, CA
6/6	Simplified Baking Workshop	Detroit, MI
6/10	Kitchen Management	Orlando, FL
6/10	Soups and Sauces	Orlando, FL
6/10	Computers in Foodservice: A Primer	Philadelphia, PA
6/10-11	Planning and Implementing Restaurant Marketing Strategy	Orlando, FL
6/11	Computers in Foodservice: Advanced	Philadelphia, PA
6/11	Basic Supervision in Foodservice	Orlando, FL
6/11	The Pantry: Prep for Profit	Orlando, FL
6/12	Soups and Sauces	Columbia, SC
6/17	Dining Room Management	Annapolis, MD
6/18	Increasing Foodservice Productivity	Westchester, NY
6/19	Menu Development	Norfolk, VA
6/19	Dining Room Management	Jackson, MS
6/19	Kitchen Management	Hartford, CT
6/24-25	Off-Premise Catering	Denver, CO
6/24	Creative Merchandising Techniques	Cincinnati, OH
6/25	Food Cost Management	Madison, WI
6/25	Computers in Foodservice: A Primer	Minneapolis, MN
6/26	Basic Supervision in Foodservice	Seattle, WA
6/26	Opening a Restaurant: Before You Start Cooking . . .	Grand Rapids, MI
6/26	Computers in Foodservice: Advanced	Minneapolis, MN
6/27	Food Cost Management	Billings, MT

Basic Foodservice Courses (No discount applies)

Member*	Non-member
$95	$125

Discount for multiple attendance—When two or more attendees register from the same company, each will receive a discount off the regular registration fee. Check the table below for details. Special discounts available for larger groups.

Food Production Courses

Number of people attending from your organization	Member*	Non-member
One person	$145	$185
Two or more	$130 ea.	$170 ea.

Foodservice Management Courses

One-day seminars	Member*	Non-member
One person	$145	$185
Two or more	$130 ea.	$170 ea.
Two-day seminars		
One person	$310	$390
Two or more	$270 ea.	$350 ea.

*NRA or co-sponsoring state association

☐ Send me more information on the following Seminars:

SEMINARS "TO GO"

IN-HOUSE PROGRAMS

If you are a small to mid-sized multi-unit operator of restaurants, hotels or fast food outlets, in-house seminar presentations are ideal for you. "Seminars to Go", NRA's answer to the nationwide interest in in-house educational training, gives you the opportunity to make sure all the professionals in your organization are kept abreast of the latest trends and techniques in the industry. "Seminars to Go" is an economical and practical way to motivate your staff by showing you are concerned about their professional growth, not to mention the direct benefits your organization will derive from maintaining a well trained staff. Certainly one, or perhaps several of NRA's highly respected seminars will meet your training needs. For more information on "Seminars to Go" or on NRA presentations at your conferences and conventions, write or call Deborah Apoldo in the Education Programs Department at (800) 424-5156 or (202) 638-6100.

REGISTRATION Please print or type.

Seminar
Date and location
Name
Title
Name
Title

Seminar
Date and location
Name
Title
Name
Title

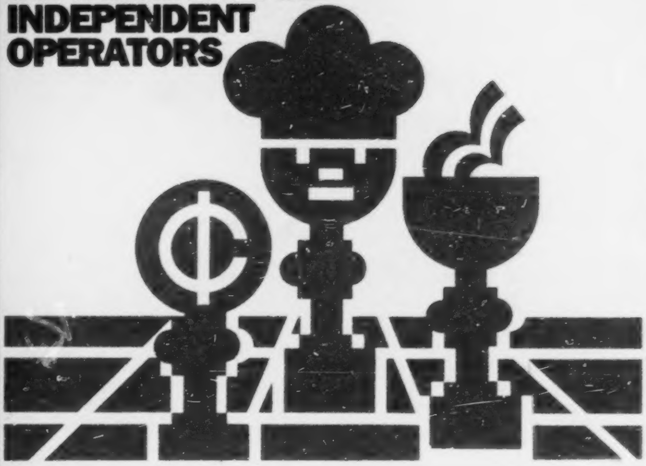
Company
Mailing Address
City, State, Zip
Phone (   )

☐ NRA Member
☐ Co-sponsoring association member

☐ Check enclosed
Make checks payable to:
National Restaurant Association

Mail this form to, or call:
National Restaurant Association 311 First St., NW Washington, DC 20001
(800) 424-5156 or (202) 638-6100

NATIONAL MANAGEMENT CONFERENCE FOR INDEPENDENT OPERATORS



STRATEGY FOR THE EIGHTIES

New Orleans, Lousiana
January 27–30, 1985
Meridien Hotel
New Orleans' French Quarter
NRA members $495
Non-members $595

NRA is updating its annual Tableservice Conference. It is being transformed into a management conference focusing specifically on the challenges facing the independent operator.

This new program will focus on foodservice trends, innovations, developments and problems which affect the daily operations of independent restaurants. This once-a-year national conference is geared to the busy, successful independent operator whose demanding schedule makes it difficult to keep up with the dynamics of the foodservice industry.

NRA will bring together top management consultants and experts from every segment of the independent restaurant marketplace to focus on management techniques, recipe development, top-notch promotions, culinary trends, the latest in table-top presentations, wine merchandising and liquor sales.

After attending this program, you will know where the industry is headed and where the advantages and opportunities lie for the independent operator.

NATIONAL CONFERENCE ON COMPUTERS IN FOODSERVICE

COMPUTERS – READY AND WAITING TO SERVE FOODSERVICE

Las Vegas, Nevada
Las Vegas Hilton
March 24–27, 1985
NRA Members $450
Non-members $550

The key to productivity and efficiency in today's foodservice marketplace is the computer. Whether you are a franchise operation with 100 units or an independent owner with one establishment, there is a computer system to match your needs and help you efficiently manage every aspect of your business. But to find a system right for you, you must spend valuable time learning about computer application in foodservice, cutting through sales jargon and then comparative shopping. NRA's National Conference on Computers can make your task an easier one.

Each of the first two days will combine seminar sessions with equipment demonstrations. As you watch the equipment in action, you will have a chance to make direct comparisons among the equipment available in the market. If you already have a system in place, you will be able to talk directly to the manufacturer's representative about your system capacity and the innovations which will improve its effectiveness to you. If you are looking for a system, you will be able to quiz each manufacturer on application and implementation as well as find out how to tailor make the right system for you.

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Washington, DC 20001

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Association

These items can be projected as an exact dollar amount since they will not vary with sales.

The result of the fifth planning step will be profit before depreciation. Subtract depreciation from this amount to come up with profit before income tax. Lastly, forecast your income taxes based upon your tax liability.

The final planning step . . .

The final step is to transfer all sales and expense figures onto a budget worksheet, such as the one presented here. A budget worksheet should always have columns for both budgeted actual figures and variances to allow for comparisons during the control phase.

Subtract all expenses from sales to calculate the forecasted profit. If the projected profit does not agree with your goals for the next year, you must decide what needs to be done to arrive at a more desirable profit. Changes made in the budget have to be realistic and attainable, and the effects of the changes have to be fully considered. For example, if you decrease your advertising and promotion budget, you should consider the decrease in sales that may follow.

The control phase

Once the budget has been cast, it becomes the tool for control. During the control phase, you should compare actual results with budgeted amounts, calculate the variances and act upon any significant unfavorable variances.

Since the budget worksheet has been formatted with spaces for actual results and variances, it becomes the tool for recording variances. Each month, both a dollar variance and a percentage variance should be calculated for each budgeted amount. For example, if food sales were projected to be $150,000 and the actual figure is $120,250, the dollar variation is $29,750 and the percentage variation is 20 percent ($30,000 divided by the base of $150,000 times 100). This unfavorable variation can be investigated by separating its price and quantity components.

For example, if the budgeted to actual figures were

Budget: 15,000 guests × 10.00 average sale check = $150,000

Actual: 13,000 guests × $9.25 average check = $120,250, the $29,750 variance is composed of a price variance (average check) and a quantity (guests) variance.

The price component can be calculated by multiplying the actual number of guests by the price variance. In this case

13,000 guests × .75 variance = $9,750.

The quantity component can be calculated by multiplying the number of guests that did not spend the budgeted amount.

2,000 guests × 10.00 average check = $20,000

The total of the two equals $29,750.

After calculating the variances, you should decide whether the variance is significant and worthy of further investigation. You could set a standard, for example, a 10 percent variance, above which all variances would be investigated or you could set a dollar amount.

If you discover a definite cause of the variance during the investigation, you can plan for methods to correct the problem. For example, if dessert sales have been suffering, you can initiate a server incentive plan to increase sales.

A final comment on the control phase: The restaurant business is a dynamic one and is affected by many factors. Any of the external factors could differ from what you initially perceived during the evaluation phase. For instance, if the expected new office building does not open on schedule, a forecast based on its opening would be inaccurate. As the year progresses, you must adjust the budget to reflect the changes occurring. Never view the budget as static and unchanging.

In sum . . .

This article has detailed an approach to simplified budgeting. All of the steps may not be applicable or necessary for your operation. However, a diligent attempt at the process will produce benefits that include:

1. discovering where your sales originate and what can be done to develop them
2. evaluating the competition
3. developing more complete and more accurate financial records
4. defining sales, expenses and profit goals by which to manage your restaurant
5. uncovering variances from the budget so you can act upon them promptly and prudently and
6. creating a peace of mind that results from knowing how your restaurant is performing on a monthly basis.

Date prepared: ____________________

Page ______________ of ______________

Competition Worksheet

NAME	Days Open	Cuisine	Seats	Price Range*	Lounge	Banquet	Comments
				B			
				L			
				D			
				O			
				B			
				L			
				D			
				O			
				B			

*B = Breakfast D = Dinner
L = Lunch O = Other, such as banquet prices or prices at the gift shop.

STRES

Cues you should know

by Dr. Robert A. Brymer

There are warning symptoms that can help you recognize when your body or mind is experiencing some negative stress. Recognizing your own stress symptoms is very important, but these symptoms can also be seen in the people you work with. It is helpful for you as a manager to be aware of an employee's early warning symptoms, which may be signaling that an employee is nearing his productivity breaking point. When this occurs, you might be able to detect it early and intervene, thus maximizing productivity and minimizing the chances of stress overload for the employee.

Stress symptoms can be divided into three major categories: physical, psychological and performance symptoms. It is important to understand that often these symptoms are closely interrelated. A psychological symptom of stress, such as depression or boredom, for instance, can hamper a manager's job performance.

Although no one individual is likely to experience all symptoms of stress, you will recognize some of these in your subordinates when they are experiencing stress.

Physical symptoms . . .

Physical changes could be a signal of a biological problem not related to stress, but often your body is reacting to a stressful event. The easiest way to recognize your or another person's reaction to stress is through these physical symptoms because they can be felt or seen. The following list of possible physical symptoms of stress should not be viewed as all inclusive but as some general reactions that are fairly common.

Body changes

High blood pressure
High cholesterol level
Excessive weight or sudden weight gain
Rapid heart rate
Changes in body's homeostatic functions (pulse rate, temperature or respiration—breathing difficulty)
Excessive smoking or drinking
Difficulty in getting to sleep or waking up during the night
Decrease in level of sexual activity
More body aches and pains than usual
Significant changes in bowel movements
Frequent unexplained earaches or toothaches
Upset stomach
Any unintended weight loss or loss of appetite
Localized muscle tension or pain
Headaches more frequently than usual
Dizziness
Clammy hands
Blushing
Loss of energy, feeling tired and jittery
Sudden change in appearance (complexion, hairstyle or dress)
General feeling of ill health

Psychological symptoms . . .

Psychological symptoms of stress are not as easily discernable as physical symptoms; they are generally more subtle in their appearance. These types of symptoms are related more to the thinking process and thoughts of an individual and how stress interferes with this functioning. For example, when under a great deal of stress, an employee may not be thinking as clearly as he normally would; he may lose concentration or be unusually forgetful. Some of the many possible psychological symptoms are presented below.

Mental changes

Depression—lowering of self-esteem and self-worth
More thoughts related to failure, generally pessimistic
Overconcern about other peoples' opinions
Irrational thoughts about oneself, "put-down" statements
Forgetting things more often or thought blockages
Decline or difficulty in concentration, increased inattentiveness
Increased restlessness or agitation
Irritability or moodiness with normal conditions
Increased hostility or anger with normal conditions
Sense of being increasingly isolated

This article has been excerpted from Dr. Robert A. Brymer's publication Stress Management for the Hospitality Manager, *newly released by NRA. Copies of this publication can be purchased from the National Restaurant Association, 311 First St., N.W., Washington, DC 20001. The cost of the 30-page soft cover book is $10 per copy plus $2 for shipping and handling. DC residents add 6 percent sales tax. Illinois residents add 7 percent sales tax. Chicago residents add one additional percent, for a total of 8 percent. All orders must be prepaid; please specify number MG455.*

Dissatisfaction with job or other normal conditions
Feeling of powerlessness
Less trust and respect for colleagues
Feeling guilty about neglecting family or friends
Feeling overwhelmed with normal duties
Boredom
Tendency to become distraught with minor things
Inability to organize oneself
Inner confusion about duties and roles
Lack of spontaneity and initiative
Increased daydreaming

Performance Symptoms . . .

When a hospitality manager is experiencing stress, the manager could be manifesting one or more performance symptoms of stress. For example, if a manager is having marital problems, then he or she will probably not work at an optimal performance level. A performance symptom of stress can also be created by a physical or psychological symptom, like feelings of depression. The following is a partial representation of how an individual's actions or performance could be a warning signal.

Performance changes

Avoiding specific situations or activities
Vacillating more on decisions
Erratic judgments
Putting things off more and more, unable to act on matters
Decreasing ability to perform at maximum at different tasks
Inability to communicate as effectively as usual, more superficial communications
Inability to socialize as well as usual
Failure to meet deadlines as usual
Using holiday or vacation time to catch up on work
Complaints from spouse or employees of being ignored
Dropping recreational activities to allow more time for work
Planning social activities exclusively with work associates
Missing planned events, family or business meetings because of busy schedules
Making oversights and mistakes more frequently
Complaining more than usual about work
Increased absenteeism, tardiness
Unhappiness with work
Short fuse with others at work
Lack of enthusiasm and vitality, more listlessness and carelessness
Change or succession of changes in personal and professional lifestyles
Lack of organization, more confused than usual
"Wheel-spinning"

10 ways to reduce stress

1. Adjusting your work environment. Objectively look at how you do things and how your employees do their jobs. Are responsibilities and performance standards clear? Can work flow and communication be more efficient? Are there outdated policies and rules? Is there a sense of teamwork?

2. Adjusting your personal living environment. Sometimes stress comes from factors outside of work. Some of these conditions cannot be changed, but many circumstances can be manipulated to decrease stress, such as ending an unsatisfactory personal relationship, taking more mini-vacations over long weekends, taking an alternative route to work that has less stressful traffic conditions and improving communications within the family.

3. Managing your time better so you can accomplish as much as possible within a given period. Although managing time is a very personal task for hospitality managers, it might entail planning daily activities, setting objectives, organizing work space, allowing time for routine paperwork, delegating responsibility and avoiding interruptions.

4. Saying "no" when you are overworked. Don't constantly seek to do more and more in less and less time. Keep in mind that this can affect the quality of your work and can put you into unnecessary predicaments. You must learn to recognize your limits or productivity breaking point.

5. Exercising. Physical exercise is one of the best methods for reducing stress. Select something you enjoy, such as jogging, swimming, racquetball, aerobic dancing, skiing, tennis, bicycling and so forth. Schedule three to four hours of this activity per week, every week. One word of caution. Do not choose a form of exercise in which you are compulsive or must constantly race against yourself or someone else. This could create additional stress.

6. Making time for escape activities. These can help you work off or channel the tensions that accompany stress. Choose something you can pick up and put down when you like, something that interests you and is fun. Escape activities might include reading books, pursuing hobbies, listening to music, watching television, going to a movie, gardening and so forth.

7. Developing a spiritual life. Practicing your religious faith more consistently can be very rewarding. Many individuals have reported that taking time for their religious activities was one of the best methods they have for coping with stress.

In addition to religious worship, many people find meditation to be relaxing. Meditation is a technique for focusing and clearing the mind. Transcendental meditation (TM) is one popular method. It consists of sitting quietly for 15 to 20 minutes and focusing on an assigned mantra—a pleasant sounding word in Sanskrit.

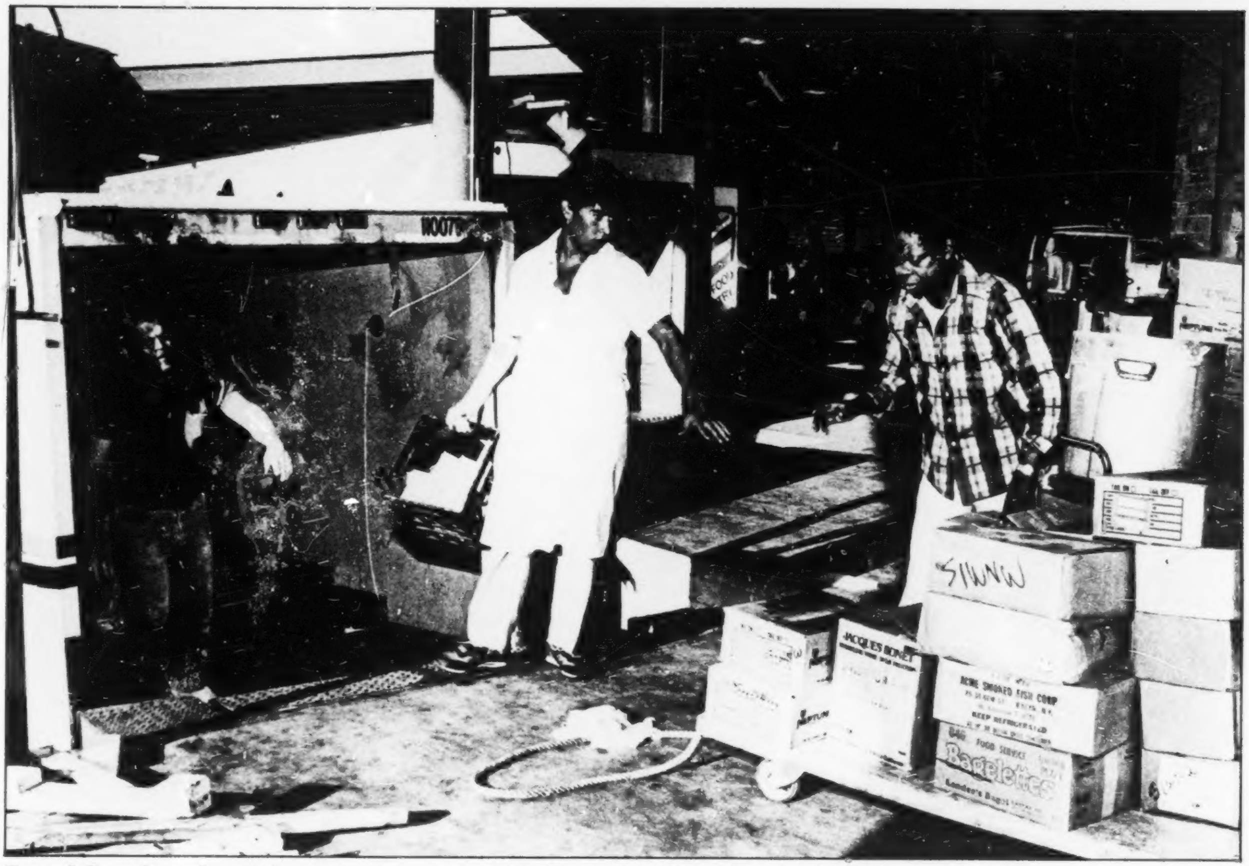
8. Talking to a close friend. Not having someone close to talk with will allow your feelings, thoughts and emotions to build up. Verbalizing strong thoughts and feelings can release frustration, hostility and excess emotional baggage.

9. Resolving conflicts. Learning to resolve situational problems or conflicts successfully, particularly if you make decisions routinely in the workday, gives you more control over your environment and thus reduces stress. Some of the necessary skills include

- determining the nature of the conflict
- initiating confrontations
- hearing the other person's point of view without trying to defend oneself and
- generating possible solutions and their implementation. Sometimes this requires rendering an authoritative decision.

10. Eating and drinking properly. For people who are so closely involved in the foodservice business, there is every opportunity to eat and drink properly. A well-balanced nutritional diet is absolutely essential to looking and feeling your best.

BEHIND THE SCENES AT TASTE OF THE TOWN



Second Genesis workers help restaurateurs unload food items from the refrigerated trucks.

by Elyse Cuttler

From a Taste of Chicago, which lures more than one million people to the windy city every summer, to NRA's Chef d'Oeuvre congressional reception on Capitol Hill, the idea of sampling a little bit of many different food items has great appeal.

"Tastings" have been growing steadily for the past 10 years and are held annually in many areas of the country. For attendees, the occasion is great fun. It's a time to sample different food items from the area's best restaurants.

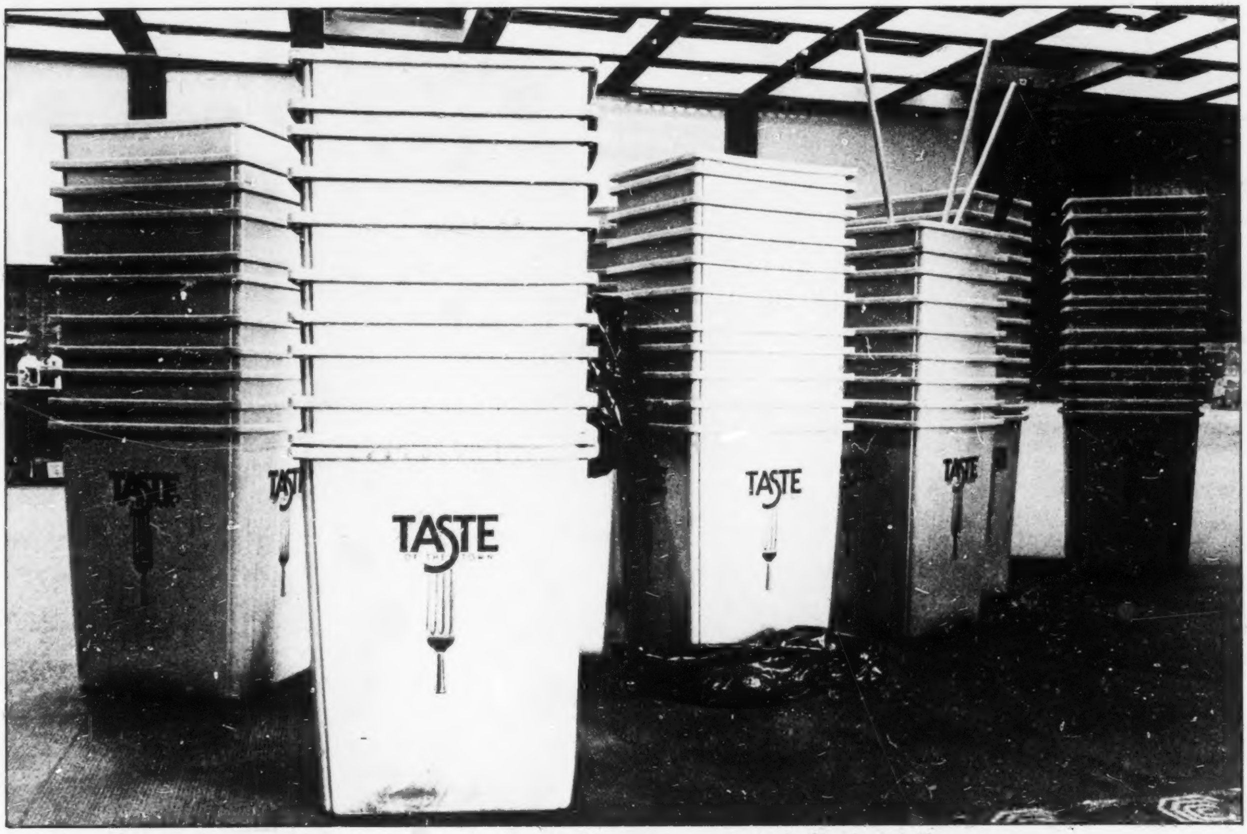
To the individuals that organize these events and to the operators that participate, these tastings mean hard work and many hours of commitment.

One such event is Taste of the Town, which takes place in Washington, DC's Convention Center during one weekend every summer. Every type of restaurant is in attendance, from white tablecloth establishments and country inns to family restaurants and catering operations. And, almost every imaginable (and unimaginable) food is served in hors d'oeuvre portions, including Cajun popcorn and Cincinnati chili as well as baby back ribs, tortellini al pesto and bananas foster.

Few, if any, of the more than 50,000 people who attended Taste of the Town this summer had any idea of the work it took to put on the event. They simply paid their $5.00 advance admission fee (or $6.00 at the door) and purchased $5.00 tasting booklets to sample food and beverage items. Yet it took months of planning to organize the Taste of the Town. Here is a behind-the-scenes look at how one tasting is put together.

How it began . . .

Taste of the Town is the brainchild of Sandy and Don Whyte of D&S Whyte Associates, a meeting and convention planning firm in Alexandria, VA. They decided to create a special event where restaurateurs could expose their potential customers to their menu items at a relatively low cost and could help support a local charity.



Trash—a major problem at this type of event—is alleviated by the many strategically placed dispensers.

In 1980, the first year of the event, 36 restaurants in the DC area participated. In 1984, the number of establishments grew to just under 100. D&S Whyte Associates have also expanded their events. The company now holds events in Norfolk, VA, and Baltimore, MD, and in 1985, Taste of the Town will be launched in Denver, CO. An additional 10 cities are being looked at as future possibilities.

Billed as a restaurant marketing event, many operators view Taste of the Town as a way to generate customer recognition in a large restaurant community.

"We offer the participating operator focused demographics based on past Tastes of the Town," explains Sandy Whyte. "Our research tells them who attends, how old they are, how much they earn, how well educated they are and how many times they eat out in a given month."

However, statistics are not the only assistance operators receive when deciding to participate. The Taste of the Town staff does much planning and organizing before, during and after to assure operators a smooth running event.

Taste of the Town set up—one year before . . .

The convention center is booked one year in advance—before any restaurants sign on. An initial mailing goes to approximately 200 selected area restaurants. The restaurants represent seven major categories established by the Taste of the Town staff. They include continental restaurants, ethnic restaurants, multiple market firms, suburban restaurants, hotel restaurants, restaurant/catering firms, American saloons and specialty or novelty restaurants.

The introductory letter explains the event and Taste of the Town services and includes all the statistical data as well as costs involved. Next come phone calls and other letters, although many operators sign up after receiving the first mailing. Food items are not set until all restaurants have signed up and attended one of two mandatory meetings to discuss the proposed menus.

A standard space, 10 feet by 10 feet, costs $600, but all equipment and utensils, paper products, technical guidance and media exposure are included in this price.

For example, one event sponsor supplies all paper and plastic products as well as refrigerated trucks for participating restaurateurs to use during Taste of the Town. An area magazine donates advertising space and editorial support, and another sponsor supplies all soft drinks, wine and beer.

In return, sponsors' names appear on all Taste of the Town promotional materials. Concurrently, an informational release is sent to the media with the hope that reporters will be assigned to cover the event. And an advisory committee, made up of restaurateurs, sponsors and suppliers meets at this time to designate a beneficiary or beneficiaries for the event.

Beneficiaries receive a cash donation after all costs of the event have been paid. This year, Children's Hospital National Medical Center, Washington, DC, and Second Genesis, a drug and alcohol rehabilitation center, also in DC, split the proceeds.

Two month countdown . . .

Two months before the event, most restaurants are signed up.

Taste of the Town staff now prints

Equipment and paper products are placed in one area and inventoried before the event begins.

flyers, posters, buttons and counter displays to distribute to participating restaurants and other areas frequented by the target audience.

According to Taste of the Town research, the target audience is upscale professionals between the ages of 25 to 45 who enjoy an active lifestyle. Therefore, promotional materials appear in health clubs, supermarkets, kitchen stores, newspapers and magazines. Ads also run on selected area radio and TV stations.

Additionally, letters are sent to the top 100 area corporations offering discounted tickets for group participation.

The Taste of the Town staff is now ready to hold its first meeting with restaurateurs. "At this meeting we explain in detail the exact schedule for the event, what equipment is available and what promotions operators can become involved in during the coming weeks," says Susie O'Brien-Riley, director of marketing and development.

Each operator is asked to submit a list of two or more items he or she would like to serve at the event. The Taste of the Town staff reviews these items to screen out any items they believe will not be popular with attendees. One example is pate in aspic. One operator insisted on serving this item. "It was beautiful. Most attendees stopped to look, but the item did not sell," notes Sandy Whyte.

"I explain to the operators that the food must appeal to the general dining out public," Whyte continues. "The item can be unfamiliar, such as catfish, which did very well, but not so unusual that people will just walk by without being interested."

Because each establishment is selected to represent a well-rounded restaurant community, the problem of three or more operators wanting to serve the same item rarely occurs. However, when it does, most restaurateurs are willing to make adjustments or substitutions.

Taste of the Town owns a full line of cooking equipment from woks and electric grills to soup tureens, heat lamps and convection ovens. Each participant receives an equipment list and is told to choose anything needed. If an operator needs a piece of equipment not owned by Taste of the Town, it will be rented for the event.

Pricing the food items is the next order of business. Operators decide how much they want to charge for their selections. The average price is five tickets or $1.25, although some operators charge six or seven tickets, depending on their food expense.

"Operators do not abuse the ticket prices," observes O'Brien-Riley. "They understand that Taste of the Town is not a money-maker for them—that's stressed from the beginning."

All money generated goes into a common pool, which is used to defray expenses and contribute to charities. However, operators do receive a 30-percent return on each dollar generated at their booth. This return helps to defray the food cost.

"Taste of the Town means exposure—allowing 50,000 potential customers to taste a food product," O'Brien-Riley continues. "It's a way of receiving recognition from a highly selective dining out public."

Some restaurateurs decide to hold parties in their establishments to publicize the event. This fosters greater community involvement by alerting customers to the event.

Tie-down meeting . . .

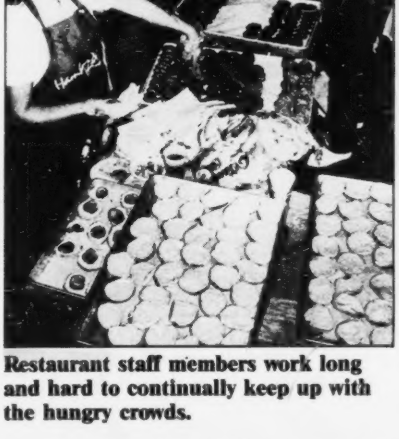
After the first meeting with restaurateurs, the staff goes over the equipment lists and food submissions and begins to finalize details.

Then participating operators attend a second organizational meeting. At this meeting, they must confirm equipment and food items. Operators are told final details, such as how many servings to prepare (usually 1,500), where and when to deliver the food and when booths can be decorated. Electrical outlets are installed by the convention center after equipment needs are finalized.

Taste of the Town events must comply with the fire codes and electrical requirements of each city. This usually means that deep fryers are not allowed on the convention floor. All frying must be done in a properly ventilated hallway or back area of the convention center. Floors must be covered and fire extinguishers installed. Restaurant staff members then transport the food from the hallway to the booth.

Two-day countdown . . .

Taste of the Town staff can now begin to supervise setup for the event.



Restaurant staff members work long and hard to continually keep up with the hungry crowds.

(In all, 13 staff people were involved in 1984.) An independent security firm is hired to oversee the activity on the convention floor during this time. All equipment and paper supplies are delivered, unloaded, inventoried and placed in one designated area, which is guarded. Booths are assembled and put into place.

On the morning before the event, restaurateurs arrive and begin to decorate their booths. The booths can be decorated any way the operators desire.

Later that afternoon, refrigerated trucks are delivered to the various loading docks, and restaurateurs can now deliver their food items to these trucks for storage.

As a benificiary of the proceeds of this year's Washington, DC Taste of the Town, Second Genesis, a private non-profit, drug and alcohol treatment facility, was invited to send some of its residents to help with the event. Forty residents in the final stages of rehabilitation were hired by Taste of the Town. These individuals were trained to provide such backup services as unloading equipment and food products, restocking booths when supplies were low, cleaning up the general areas and reporting any problems to Taste of the Town staff. As a result of this participation, eight residents were offered positions with Washington area restaurants.

Taste of the Town begins . . .

On the first day of Taste of the Town, the staff arrives at the convention center at 7 a.m. They make sure that all deep fryers are turned on and that all equipment is plugged in.

Most operators also arrive at this time. In prep areas behind their booths, restaurant workers begin to mix batter; boil water; bake bread, cakes and quiche; chop vegetables; fill croissants and arrange platters. This procedure is repeated many times throughout the day.

At 11 a.m., the event begins. Taste of the Town staff put on their two-way radios so they can alert each other about any problems or needs.

A press room is located in an area above the convention floor where members of the media can meet, interview participants and arrange for media tours.

At 8 p.m., the public leaves. Operators put their food into the refrigerated trucks, and then Taste of the Town staff clean out every booth. They wash all equipment, including ovens, fryers, trays and utensils. All garbage is taken away, and paper products are restocked in the booths. Then, at approximately 2 a.m., the staff can go home—only to return the next morning at 7 a.m.

Day two . . .

Most procedures are a repeat of day one. When the event is over, however, all equipment must be accounted for before restaurateurs can leave their areas. Taste of the Town staff goes from booth to booth and checks off all equipment items that were signed out.

Once that is finished, the task of scrubbing all equipment begins. Every staff member gets involved in this activity, which takes most of the night. Equipment is then inventoried, re-packed and loaded onto the trucks.

Operators must plan, too . . .

Restaurateurs, too, do much preparation for Taste of the Town. Besides organizing their staff members and setting their schedules for food preparation, they decide how to coordinate their time so they can participate in Taste of the Town and run their establishments. Both are full-time jobs. Most owners spend the two full days at the event—away from their operations during a time when traffic is high. How do they manage?

"All supplies must be ordered one month in advance," says Maureen Merlin, operations manager for O'Brien's Pit Barbecue, Bethesda, MD. This year, this translated into 2,100 pounds of ribs, 3,000 pounds of beef and 40 gallons of barbecue sauce.

"We start to prepare the meat eight to 10 days before the event because only a certain amount can be put in the enclosed pit at one time," Merlin explains. "Although the restaurant has been involved in Taste of the Town for five years, the process is still very hectic."

On the day of the event O'Brien's brings a trailer on to the convention floor and decorates it to resemble a Western-style barbecue. The trailer is more than an attention getter. It keeps the meat hot.

The employees then take turns cutting the meat, serving the items or counting the tickets. "We all get exhausted by the end of the two days," says Merlin. "The pace never lets up."

Another returning restaurant this year was 219 in Alexandria, VA, which served fried catfish with Cajun mustard sauce. General Manager Ralph Davis ordered his 500 pounds of catfish several weeks in advance.

"I wanted to experiment with a different product this year," says Davis, who served 800 pounds of shrimp last year. "People are really becoming educated about catfish. I didn't see any reluctance or turned up noses. It seemed like everybody wanted to try some." Employees fried the catfish in an outside hallway and then carried the items to the convention floor.

Warren Anderson, owner of the Red Sea Restaurant in Washington, DC, used a slightly different approach to prepare for the event this year. Instead of specially ordering more food, he increased production in the restaurant during one week before the event.

"We decided to prepare our items in a stew format, which is easy to serve and store," Anderson explains. "Preparation was very difficult anyway. We needed more personnel to do the extra cooking; and the time I spent away from the restaurant put a strain on the business."

"On the second night of the event," Anderson continues, "we were running low on our selections at the convention center so we took food from the restaurant, which caused us to run out of menu items there."

Owner Thierry Janssens of Jean-Jacque Bakery in Rockville, MD, took the opposite approach. He decided to bake on the premises so his booth would resemble an actual bakery—a departure from years past.

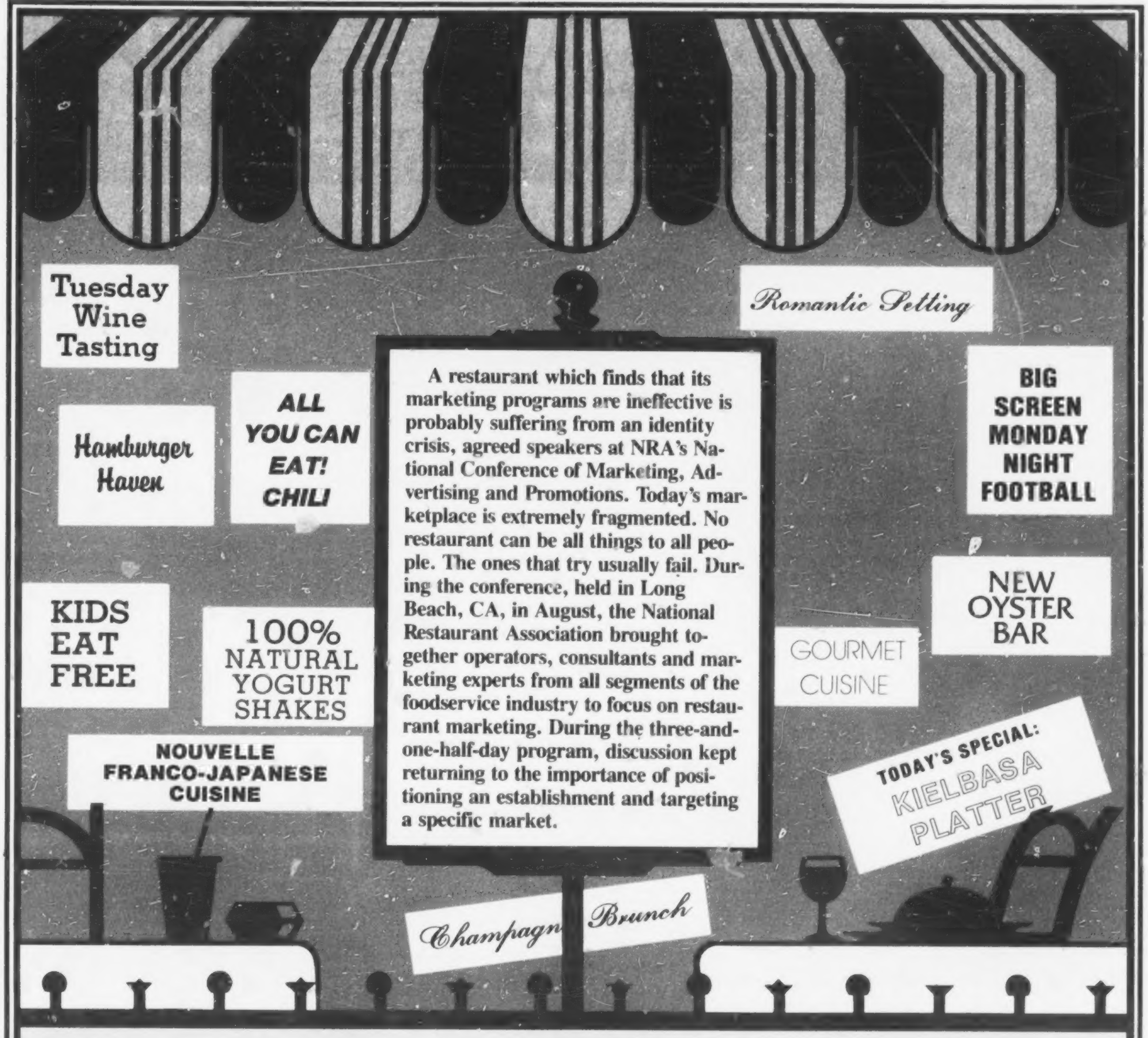
The idea proved to be a huge success. The smell of freshly baked products lured many attendees to the booth.

"The ovens were working continuously. By the end of the two days, we sold 4,500 croissants, 3,500 pastries and 1,300 pieces of bread," Janssens reports.

A word of caution . . .

Much hard work goes into making an event like Taste of the Town a success. Restaurant participation requires a lot of commitment in terms of money, staff time and preparation. Restaurateurs who want to become involved in this kind of event should make certain that their establishment could benefit from this type of exposure. ❑

Does your restaurant have an identity crisis?


Tuesday Wine Tasting
Hamburger Haven
ALL YOU CAN EAT! CHILI
KIDS EAT FREE
100% NATURAL YOGURT SHAKES
NOUVELLE FRANCO-JAPANESE CUISINE
Romantic Setting
BIG SCREEN MONDAY NIGHT FOOTBALL
NEW OYSTER BAR
GOURMET CUISINE
TODAY'S SPECIAL: KIELBASA PLATTER
Champagne Brunch

A restaurant which finds that its marketing programs are ineffective is probably suffering from an identity crisis, agreed speakers at NRA's National Conference of Marketing, Advertising and Promotions. Today's marketplace is extremely fragmented. No restaurant can be all things to all people. The ones that try usually fail. During the conference, held in Long Beach, CA, in August, the National Restaurant Association brought together operators, consultants and marketing experts from all segments of the foodservice industry to focus on restaurant marketing. During the three-and-one-half-day program, discussion kept returning to the importance of positioning an establishment and targeting a specific market.

Take a moment to jot down your market position as well as your target market. If it takes any longer than a minute to do, neither your position nor your target is embedded firmly enough into your establishment's day-to-day operations. In fact, you may have an identity crisis. The cure to an identity crisis is a long-term marketing plan.

The two most important elements of a strategic marketing plan are positioning and targeting. From advertising to menu specials, everything you do should tell your customers who you are. A restaurant's position in the marketplace is its personality, which makes it stand out from its competition, explained conference speaker Bruce Bendinger of Creative Communications, Chicago, IL.

Responding to the market . . .

The essence of an effective marketing plan is how well it responds to the wants, needs and attitudes of a certain customer base or target market, explained Bill Dietrich, director of marketing for Big "4" Restaurants, Phoenix, AZ. With a firm grasp on the lifestyle characteristics of your target market, you will be able to plan efficient, effective advertising and promotional programs that constantly build or reinforce your image.

Dietrich warned restaurateurs that they are often too impatient for long-term strategic planning. "Lack of planning leads to piecemeal programs, which are easily copied by the competition," he explained.

A restaurant, which opens its doors planning to see who the establishment attracts before positioning itself, will be plagued by an identity crisis from which it may never recover.

Marketing means long term . . .

"Stategic planning builds long-term growth, not short-term profit," continued Dietrich. "The expanding economy and increasing complexity of both marketing and foodservice make long-term planning all the more imperative."

Conference moderator Tom Feltenstein, principal of the American Restaurant Marketing Group, Palm Beach, FL, warned that a customer base can shift. Repositioning may be just as important as positioning, and a strategic plan should never be set in concrete. One-third of the American public moves each year, and nearly five million people marry. These demographic patterns cause tremendous market shifts. Dietrich added that continual changes in the complexion of competitors may also necessitate repositioning.

Research: the base . . .

Neither positioning nor repositioning will succeed if the market is not thoroughly researched, agreed conference participants. An operator must build a comprehensive base of information to target successfully a specific consumer base.

Speakers divided fact gathering or research devices into two categories: internal and external. "Too many operators ignore the internal methods," explained Ray Ford, president of Ford Management Consultants, Phoenix, AZ.

One of the key sources of internal fact gathering is service staff. Employees should play a significant role in tracking customer attitudes. They can also provide the fastest feedback on the success of promotional programs. Even though waiters and waitresses may gather information informally, operators should have a formal procedure for collecting and using this information.

Other internal research devices discussed include personal contact, questionnaires, traffic reports and sales tracked by time period. Each technique can give operators a better understanding of how customers perceive an establishment.

Survey
Question

External research is valuable because it allows operators to go beyond their customer base to the entire marketplace as well as to competitors' customers. External research includes census reports, focus groups and trade area surveys.

According to Dietrich, research should be used to help operators capitalize on their strengths. What an operator perceives as an establishment's strengths are insignificant compared to what customers perceive.

Developing a position . . .

"Turning research data into a market position is as simple as Q2 + R2 + S2 + P3," explained Bendinger. Q2 means you should ask yourself two questions: "Who are you? What do you want to be?" R2 means you should develop a position based on the *reality* of the marketplace and then make it *relevant* to your customers. S2 means you should combine *sight* and *sound* to create a unique image of your operation: from the color of your logo to the rhythm of music in your radio and television ads. P3 means you should combine your *product*, your *place* and your *people;* these are the real dynamics of the operation that add together to create a unique personality.

Les Ades, executive director of Ades Marketing Consortium, Los Angeles, CA, and author of *Increasing Your Sales Potential*, reminded participants that in designing a position, they must keep in mind that the restaurant industry today must be viewed as an entertainment industry. According to a Nielsen survey, 50 percent of individuals surveyed list entertainment as the major reason for

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6 traffic builders singled out for their excellence

The winning promotions at the NRA National Conference on Marketing, Advertising and Promotions proved that the artful combination of creativity and thorough planning can turn any marketing problem into an asset.

Each conference participant was asked to enter one recent promotion in the National Conference Promotions Contest. Promotions were judged by conference speakers during the conference. Six were singled out for their excellence. In an idea sharing session during the last day of the conference, winners presented case histories of their programs.

1. Chico, CA

Operation: The Sandpiper Restaurant
Conference participant: Bill Gillespie, co-owner
Profile: Dinner house
Promotion: The First Annual Chico Oyster Olympics for the benefit of Butte County Special Olympics

Objectives:

1. To promote and establish a market for The Sandpiper's new oyster bar and seafood cafe.

2. To identify with the community through support for a local charity.

Description:

The month-long "Oyster Olympics"

eating out. Second was "change in routine," quoted Ades.

The jump between creating a market position and developing actual market awareness of that position may be the most difficult step in the process of creating an identity. Many operators make the mistake of focusing only on obvious areas, including atmosphere, menu, pricing and location. Conference speakers emphasized that every area of an operation plays a role in developing market awareness. Employee attitude, hours of operation, advertising and promotions all are factors that should be considered.

Employees are critical . . .

Employees, for example, play a critical role in developing and massaging a market position. They should constantly reinforce an operation's position when dealing with customers, maintained Ray Ford. Employees should be able to state your market position almost like a boy scout can recite the boy scout pledge.

Advertising campaigns and promotional programs should also reflect a unified market position. Advertising is a long-term approach. Promotions are effective short-term techniques. But both can work toward the same long-term goal, explained Feltenstein.

Advertising must be looked at as an operating cost of doing business, agreed conference speakers. As an investment in building long-term sales, advertising should be designed as a tool to constantly reinforce your position. Each advertising campaign a restaurateur develops should be designed to strengthen the market position, explained Les Ades. The medium you choose should zero in on a specific target market.

Using promotions successfully . . .

Even if short-term goals are to increase traffic, the long-term success of promotional programs depends on creating a clear image of your market position, explained Jeri Galloway,

began in mid-February with preliminary shucking and eating heats that built to the finals in mid-March. Contestants, who had to be at least 18 years old, competed in two-person teams. Each team member had to shuck and eat 12 oysters. The team with the fastest time won.

A separate contest was developed for the local media to encourage media coverage of the event. In "The Great Media Shuck Off" each media team wore funny costumes and composed and performed two original verses to the "Official Oyster Anthem." Media participation—and coverage—were excellent.

Preliminaries in the 12 categories of competition were held at the new Sandpiper oyster bar. The five fastest teams went on to the finals—"The Great Oyster Eat-Off."

The finals were held at the local convention facilities. Circus-style entertainment added excitement.

Publicity for the contest included a press conference, T-shirts, aprons, posters, small handouts, a huge banner, two billboards and an official city proclamation. Throughout the month, The Sandpiper held oyster shucking workshops. All prizes were donated by local businesses.

Results:

- Five thousand dollars was donated.
- Sales increased 35 percent during the month of the promotion compared to sales in the previous 10 months. During the two months following the contest, sales were up 20 percent.
- The Sandpiper's identity as an oyster bar was established.
- The Sandpiper received a tremendous amount of media coverage.

2. Honolulu, HI

Operation: The Wisteria
Conference participant: Roy Asato, president
Profile: Full menu, family restaurant
Promotion: Culinary Students' Artistry Food Show

Objectives:

1. To give high school and community college foodservice students an opportunity to demonstrate their skills.
2. To identify The Wisteria with excellence in the community.

Description:

The Wisteria co-sponsored the 1984 Culinary Students' Artistry Food Show with Zippy's, a local fast food chain. The student show is held in April every other year, alternating with the Professional Cooks of Hawaii Statewide Culinary Arts Show.

In 1984, four high schools, three community colleges and a bartenders training institute participated in the day-long culinary show, which included demonstrations, ice carving, exotic drink mixing and tastings.

Each student participant received a certificate of merit signed by the governor. The Wisteria donated supplies and food items and encouraged many of their suppliers to do the same. The event was held in The Wisteria's banquet facilities.

Results:

The Food Show generated tremendous exposure and goodwill in the community.

3. San Jose, CA

Operation: The Round Table
Conference participant: Rich Carlson, director of marketing
Profile: Family pizza restaurant
Promotion: Student achievement awards

Objective:

To increase The Round Table's market share through community involvement.

Description:

With approval of the appropriate school superintendents, certificate-style, parchment achievement awards were distributed to elementary and secondary schools in the market area.

A coupon for a free mini pizza was included with the achievement award. The coupon reads, "In recognition of your Achievement Award, Round Table Pizza will help (name) celebrate with the single item Mini Pizza of your choice."

The certificates were generic enough to be used for a variety of school activities—academic, sports, vice president of marketing for Schelde Enterprises, Grand Rapids, MI. Galloway emphasized that the theme of each promotion should be held up against your market position and questioned. You should ask, "Does this promotion reinforce the image we want our customers to have?"

Short-lived, quick-response promotions, which do not reinforce a market position but boost lagging sales, are dangerous. Couponing and discounting are often culprits of this quick-fix syndrome and should be handled with care, according to Dietrich. If handled without concern for long-term goals or a sensitivity to positioning, discounting can erode a well-established market plan.

Cross promotions with other community businesses or services can create excellent long-term effects, explained Jeff Slutsky, president of Retail Marketing Institute, Fort Wayne, IN. But he warned that an operator should choose cooperating organizations very carefully. "Work with a group that includes your target market," he suggested. "Ask a lot of questions. Find out how the rest of the community views them."

In a presentation on promotions, testing and evaluating, Tom Pickles of BBDO, Los Angeles, CA, outlined the four basic purposes of promotions:

1. building awareness/trial
2. attracting a certain audience
3. boosting frequency and
4. increasing average check size.

Keeping up with your customers . . .

The key to strategic market planning is setting up long-term programs that incorporate and reinforce your market position.

— Steven Dahllof

Editor's note: *Tapes of NRA's National Conference on Marketing, Advertising and Promotions are available from On-Site Taping Services, 6942 Cantaloupe Ave., Van Nuys, CA 91405; (818) 786-1941.*

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etc. There was no charge to the schools. A list of award winning students was posted at each unit.

Results:

The first store to use the program showed 37 and 44 percent increases in sales over the same two months the previous year. As the rest of Round Table's stores began the program, average sales increased 24 percent.

4. Amarillo, TX

Operation: Big Texan Steak Ranch
Conference participant: R. J. Lee, president
Profile: Full service steak house
Promotion: The four-minute meal

Objective:

To build lunch traffic by competing with area fast food restaurants.

Description:

Five full-meal selections were included in the four-minute meal offer—baked chicken, roast beef, hamburger steak, barbecued ribs and barbecued sausage. Each selection included potatoes, two vegetables, a roll and butter. If the meal was not served within four minutes of the time ordered, it was free.

Local advertising included spots on two local radio stations. The advertising emphasized the value of Big Texan's made-to-order, quick meal.

Waitresses also were schooled to emphasize that (1) sitting and waiting at a table for four minutes was easier and nicer than standing in a fast food line and (2) that the price/value relationship of the meal was excellent.

Results:

- Lunch traffic was up 18 percent.
- Customer traffic increased 22 percent.
- The promotion helped boost sales during the slow months—October through April.
- The promotion drew many first-time customers.

5. Dallas, TX

Operation: Neiman-Marcus
Conference participant: Beverly Merritt, advertising, promotion and menu coordinator
Profile: Gourmet luncheon, fast food and counter operations
Promotion: Lemon de Luxe

Objective:

Spring promotion to build traffic and increase facility awareness.

Description:

The month-long promotion held in March was planned in cooperation with Sunkist Lemon. Customers dining in Neiman-Marcus received a specially-designed gift bag with lemon recipes, a lemon spout and a lemon.

To prepare for the promotion, lemon recipes were sent to each foodservice outlet. Many of their chefs, cooks and managers also made up their own menu items.

Invitations to dine at Neiman-Marcus, along with information about the Lemon de Luxe promotion, were sent to food editors. Individual Neiman-Marcus public relations offices followed through by contacting local press. To build awareness of the promotion, each Neiman-Marcus store was encouraged to create displays. Prizes were given for the best displays.

Results:

Sales increased 14 percent over March of the previous year.

6. Portland, OR

Operation: Saga Corporation
Conference participant: Rob Bond, manager of district operations
Profile: Foodservice contractor for eight college retail operations
Promotion: Campus bonus book

Objective:

To build initial business and to increase awareness of facilities.

Description:

Bonus books with five coupons were hand delivered as well as mailed to students, faculty and administration at each of the colleges. Each bonus coupon in the book was redeemable for something free or discounted with the purchase of another item. For example: "Get a taco salad for one cent when a second one is purchased." Each coupon was time dated.

Awareness of the program was generated through newspaper ads, employee buttons, table placemats and point-of-purchase counter stands.

Results:

Redemption ranged from five to 19 percent depending on the coupon. Although enrollment declined by eight percent, sales were up seven percent over the previous year. ❑

Fisher's Law #57

To be(long) or not to be(long)

One of many issues faced by persons engaged in a profession or a line of business is whether or not to belong to, and be active in, the association representing one's chosen field. The question is simultaneously *complex, difficult* and *easy*. It's *complex*, in the sense that multiple factors can apply. For example, association membership can be compulsory (those with licensing authority) or voluntary. The member can be an individual person or the business entity (even though people receive membership services); and the structure of the industry association can be local, state, regional, national or international.

There is usually a mixture of tangible and intangible benefits connected with association membership. This makes the question of association membership *difficult*. When one deals with intangibles, related questions of "value" and "worth" arise quickly. It's an *easy* question as well since it is nearly inconceivable *not* to belong to the association that exists to promote and protect one's best business interests.

Over the past 20 years I have been in several roles with respect to a number of associations. As a member, a non-member, a director, an officer, a consultant and a staff employee, I have heard and, in some cases, grappled with the incisive question, "Why should I belong?" I also have heard the objections people raise. Here is a sampling of those objections with responses.

1. Objection: "Association positions do not reflect my best interests." Response: If you are not a member, your best interests may never be brought forward. And even if they are, I don't know of anyone in any line of human endeavor who "wins" all the time (undefeated boxing champions excepted). Your points on any given issue may have been raised and considered but may not have been woven into the final position. Compromises and trade-offs occur in association functioning just as they do in business functioning. Your position on another issue may prevail while someone else's pales.

Let me draw two analogies. As a member of a local chamber of commerce, we once questioned the wisdom of one of the activities being undertaken, considering it, from my perspective, ill-advised, wasteful and without benefit—possibly even somewhat detrimental. We remained a member of the chamber, however, because as a responsible element in the local business community we recognized the past and future value of that organization.

On a more personal note, some people become disturbed when clerics advocate a position on a certain issue with which they do not agree. Most people remain members of the congregation, however, as in the larger scope, the "pluses" outweigh the "minuses." Essentially, they realize that they don't help the issue by staying away from it.

We don't live in isolation. Although spoken in a different context with different ramifications, Ben Franklin made a pivotal point when he said, "We must all hang together or, assuredly, we shall all hang separately."

2. Objection: "Because the association membership is so diverse and the industry is not concentrated (as is the automobile industry, for example), we start from a position of weakness." Response: No, we don't! There is strength in diversity, and there are definite advantages to it in most cases. There is much more "common ground" among an association membership than "uncommon ground." Internal conflicts can surface as, for example, when the government proposes legislation that would unduly and disproportionately penalize or benefit one industry segment. That does happen but not very often. In most instances, there is unity as to the objective to be achieved; it's merely a question of determining the best strategy to go about reaching that objective.

3. Objection: "The association has three broad concerns: government relations, promotion of the industry and education. I'm not interested in all three. Why should I support what doesn't interest me?" Response: You're correct. Those are three broad concerns. But each has its special priority, and there is a definite "spillover" effect among them.

Government relations has a *timing priority*, because government regulation can affect your business most immediately. That is why constant and vigilant attention is paid to this area.

Industry promotion has a *geographic priority*. In order to build long-term strength for the industry, we must communicate our message to the publics we want to attract, i.e., patrons, employees, media, government officials, students and so forth.

Education has a *quality priority*. A well-managed association should be the single most effective organization providing education services (seminars, bulletins, information services and so forth) to the industry, outside of an academic institution. Together these concerns serve both short-term and long-term industry needs. Achievements in one area affect and enhance the other areas. It's, to coin a phrase, "synergistic fortification!"

The list can go on. But I think it's time to ask, "What can we conclude from all of this?" This is where Fisher's 57th Law comes in: **"If you are going to associate with an industry, participate in the industry association."**

"If you are going to associate with an industry, participate in the industry association."

TO YOUR HEALTH

Your menu—from a nutrition point of view

This year *USA Today* published the results of a survey of 1,500 adults. They were asked what activities they pursue regularly to ensure their health. Sixty-two percent cited "eating a well balanced diet." The second most popular activity, reported by 50 percent of the respondents, was "planning nutritious menus." This information confirms that Americans are concerned about nutrition.

With the growing interest in health, diet and foods, the wait staff should have a basic understanding of your menu from a nutrition point of view. This is especially true if you want to increase sales through a nutritional concept. Providing customers with the following information indicates a genuine interest in and knowledge of nutrition and health concerns.

1. Sensitivity to fat content and fat substitutes: A waiter or waitress should be able to inform the patron that, if cholesterol is a concern, margarine is available in place of butter or an egg substitute product can be prepared in place of eggs. To appeal to the calorie-conscious, a staff member may suggest the availability of skim or low-fat milk. When taking an order, the wait staff can inquire if the customer would prefer that the butter, sauce or gravy accompanying the entree be served on the side.

2. Information about fresh products: Does every member of your wait staff know what menu items are fresh and which are frozen or canned? If canned fruit is used, do they know if it is packed in its own juices or in heavy syrup and whether the fruits are canned without preservatives? Are your waiters and waitresses trained to respond to inquiries about the seasonal fruits or vegetables used in your restaurant? Freshness implies good food and good nutrition.

3. Information about preparation methods: Does your wait staff know what preparation methods retain the freshness of ingredients, such as broiling, baking, steaming or poaching (rather than sauteing or deep fat frying)?

Does the wait staff know how the vegetables are prepared? If so, do they know if butter or margarine is used? Do they know if the kitchen trims all the visible fat off the meat or if it takes the skin off the poultry? Can the food be prepared without salt for the patron who is salt conscious?

4. Knowledge about portion size: Many recommendations made by government agencies and health professionals suggest controlling amount of intake as well as type of food items. Does your wait staff know how many ounces of fish fillet, beef tenderloin or pasta you serve without using their hands to indicate "about this much"? Remember the difference in precooked versus cooked weight of food items.

5. Dessert options: Is the wait staff aware of the "lighter" side of desserts—those that are healthy and appetizing as well?

Certainly, fresh fruit in season is one of those desserts. Is it suggested in that context? There are other options as well, such as, sorbet, frozen low-fat yogurt, meringue with fruit sauce or angel food cake cubes with a low-fat chocolate sauce topped with a sprinkle of walnuts. Your staff can support a "lighter side" dessert menu after the entree instead of the usual dessert menu.

In sum . . .

These ideas are not new. They represent the general ideas of the American Heart Association and the specific procedures of the New York Heart Association. Obviously, it is not suggested that patrons be bombarded with health information in your restaurant. It should simply be available for those who request it.

The objective of a wait staff is to satisfy the customer's needs. If the wait staff is trained properly, the right information gets to your patrons.

—Karen Sherwood, R.D.

NRA NATIONAL RESTAURANT ASSOCIATION

CASSETTE TAPES:

The **NRA** Restaurant, Hotel Motel Show

COMPLETE 1984 SHOW

TOP 55/ 1976-'83

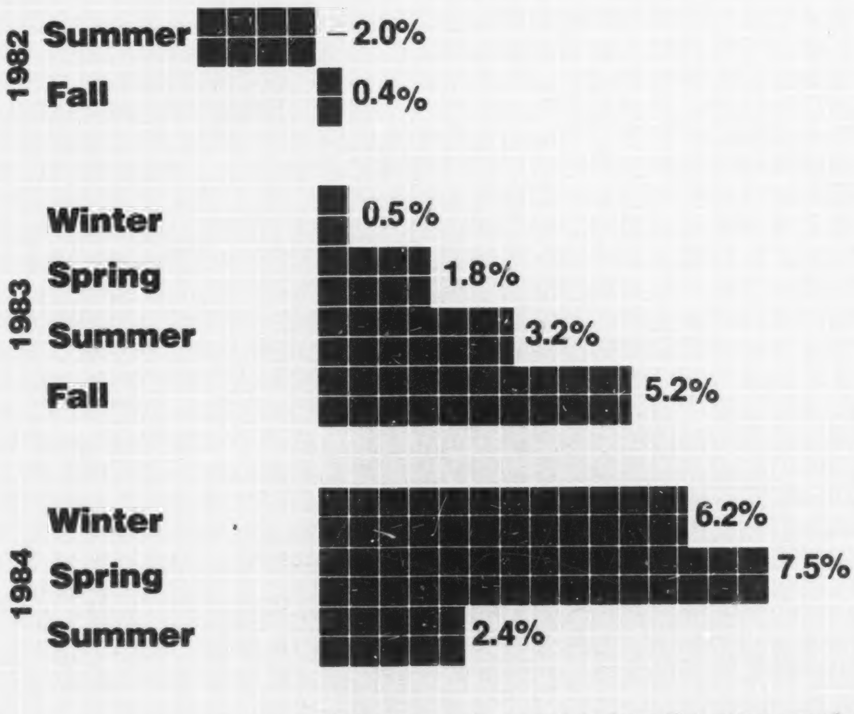
CREST REPORT

June–July–August

Summer Quarter Highlights

- **Customer traffic:** Up 2.4 percent
- **Sales:** Increased 4.3 percent
- **Visit frequency:** Advanced 2.6 percent
- **Average check size:** Up 1.9 percent
- **Restaurant types:**
  - Upscale customer traffic: Advanced 4.6 percent
  - Quick service customer traffic: Increased 4.2 percent
  - Midscale customer traffic: Dropped 2.4 percent
- **Meal periods:**
  - Breakfast customer traffic: Jumped 9.6 percent
  - Lunch customer traffic: Up 2.8 percent
  - Dinner customer traffic: Increased 2.2 percent

Percent change in quarterly traffic (summer 1982—summer 1984)



Note: **Percent change is from the same quarter in prior year.**
Source: CREST Household Report, **CREST, NPD Research, Inc.**

Customer traffic up 2.4 percent . . .

Customer traffic at the nation's restaurants was up 2.4 percent during the June–July–August period, according to CREST's "Household Report." This is significantly less than the substantial gain of 7.5 percent posted during the spring quarter and the 6.2 percent increase reported in the winter period.

The moderate traffic gain during the summer quarter reflects the slowdown in the economy. The economy continues to show positive growth but at a less rapid pace. For instance, real GNP jumped 10.1 percent during the first quarter, 7.1 percent in the second quarter and posted a more moderate 3.6 percent gain during the third quarter. Other indicators, such as personal income and consumer confidence levels, also reflect the economy's slower growth. Personal income posted smaller increases during June, July and August than in previous months. Consumer confidence remained high, but it dropped somewhat during the summer.

Other factors which affected summer restaurant traffic include:

- **A slowdown in travel:** Major travel destinations, such as the World's Fair in New Orleans, national parks, beach resorts and major theme and amusement parks, have all reported lackluster attendance rates. The strong dollar encouraged many Americans to take advantage of the favorable exchange rates and travel abroad, but fewer foreigners came to the U.S. because of the strong dollar.
- **Major purchases:** Consumers continued to purchase big ticket items, such as cars, appliances and furniture.
- **The summer Olympics:** Many Americans stayed home in late July and early August to watch the U.S. teams go after the gold at the summer Olympics.
- **The economy:** Although the economy has slowed, the outlook still points to continued growth. For instance, inflation has stabilized, and unemployment remains low. Inflation was up a moderate 4.4 percent during the first eight months of the year, and menu prices rose slightly slower—4.3 percent.

Unemployment, after dropping to a low 7.1 percent in June (the lowest rate since April 1980), rose slightly to 7.5 percent in July, then dipped to 7.3 percent in August.

NRA is optimistic about the restaurant industry's growth during 1984 and expects real sales (adjusted for inflation) for eating places to jump 5.3 percent—the strongest gain since 1977.

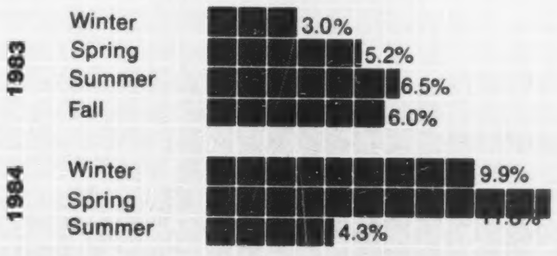
Households dining out more often . . .

The average number of times families and singles visited restaurants—visit frequency—rose a substantial 2.6 percent during the summer quarter. This compares with a 2.2 percent gain during the spring period and a 2.9 percent increase in the winter quarter. Approximately 79 percent of all households dined out at least once during the quarter—down slightly from the same quarter a year ago.

An analysis of visit frequency by industry segments—quick service, midscale and upscale—shows that quick service restaurants experienced the largest gain—2.5 percent. Upscale restaurants also posted a positive increase in visit frequency—2.3 percent. Midscale establishments registered a slight decline in visit frequency—1.3 percent.

Restaurant sales up 4.3 percent . . .

CREST sales continue to show positive gains and advanced 4.3 percent during the June–July–August period. This compares with a stronger 11.8 percent increase in the spring quarter and a 9.9 percent gain during the winter period.



Percent change in quarterly CREST sales*
(summer 1982—summer 1984)

*Sales based on total U.S.; average for two-week period each quarter.

Note: Percent change is from the same quarter in prior year.
Source: *CREST Household Report*, CREST, NPD Research, Inc.

The average expenditure for a restaurant meal or snack—per person check size—rose a slight 1.9 percent. This is down from the 4.0 percent increase posted during the spring quarter and the 3.7 percent gain registered in the winter period.

The 1.9 percent increase in average check size is much lower than the 4.5 percent gain in menu prices recorded by the Consumer Price Index (CPI) for food away from home during the months of June, July and August. The low percent change in the average check size may reflect that consumers are ordering a variety of items, some lower priced, than the stable market basket of foods the CPI tracks.

Traffic up during meal periods . . .

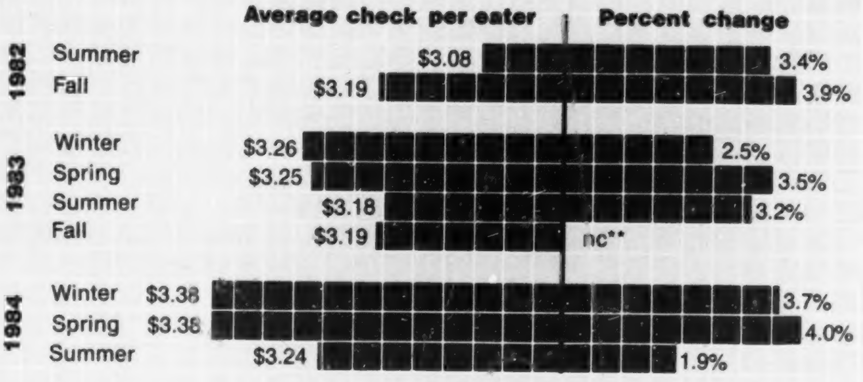
Traffic rose during the three major meal periods in the summer quarter, with breakfast showing the largest gain—up 9.6 percent from a year earlier. Lunch traffic climbed a somewhat lower 2.8 percent, and the dinner meal posted a 2.2 percent increase.

These traffic increases are much smaller than those reported in the spring quarter, when breakfast, lunch and dinner posted gains of 15.9 percent, 8.1 percent and 8.7 percent, respectively. The slowdown in economic expansion this summer very likely had an adverse effect on customer counts at the nation's restaurants.

Breakfast highlights:

- Breakfast sales jumped

Average per person check*
(summer 1982–summer 1984)



*Based on average for two-week period.
**No change.

Note: Percent change is from the same quarter in prior year.
Source: *CREST Household Report*, CREST, NPD Research, Inc.

11.4 percent.

- The average check at breakfast reached $2.23—a small 1.4 percent increase.
- Visit frequency was up a strong four percent which helped boost traffic.

Lunch highlights:

- Lunch sales rose 5.5 percent.
- The average check reached $3.04—up 2.7 percent from a year earlier.
- Visit frequency increased 1.2 percent.

Dinner highlights:

- Dinner sales advanced 3.2 percent.
- The average check increased a slight 1.1 percent.
- Households ate dinner out approximately four times during the average two week period—a 2.4 percent increase from the prior year.

Traffic rises at upscale and quick service restaurants . . .

Upscale restaurants posted the strongest traffic gain during the summer quarter—4.6 percent. Quick service restaurants were close behind with a 4.2 percent advance. Midscale restaurants, on the other hand, experienced a 2.4 percent drop in customer counts.

Ethnic restaurants stole the show and posted the strongest traffic increases in all three major restaurant categories. Fish and seafood restaurants, on the other hand, experienced traffic decreases in the quick service, midscale and upscale segments.

Upscale restaurant highlights:

- Sales rose 5.1 percent in the upscale restaurant segment.
- Promotions were used on 8.3 percent of the occasions—up from 8.1 percent a year earlier. That, combined with a very low 0.5 percent increase in the average check size, probably gave consumers a favorable view of the price/value of dining at an upscale restaurant and helped boost traffic.
- Upscale ethnic restaurants showed the strongest jump in traffic—12.8 percent. Upscale Mexican restaurants experienced the largest increase in the category.
- Varied menu establishments posted a substantial 5.9 percent gain in traffic.
- Traffic counts at upscale specialty restaurants dropped two percent due primarily to a decline in traffic at upscale fish and seafood establishments. Upscale steak and barbecue restaurants, on the other hand, experienced traffic increases.
- Upscale hotel restaurants posted a 2.1 percent traffic decline, probably due to a drop in business and convention travel.

Quick service restaurant highlights:

- Quick service restaurants experienced a strong 9.7

What is CREST?

Launched in September 1975, the CREST (Consumer Reports in Eating Share Trends) survey is designed to track expenditures and behavior in the commercial segment of the foodservice industry, including information by type and classification of restaurant and also by meal or snack period.

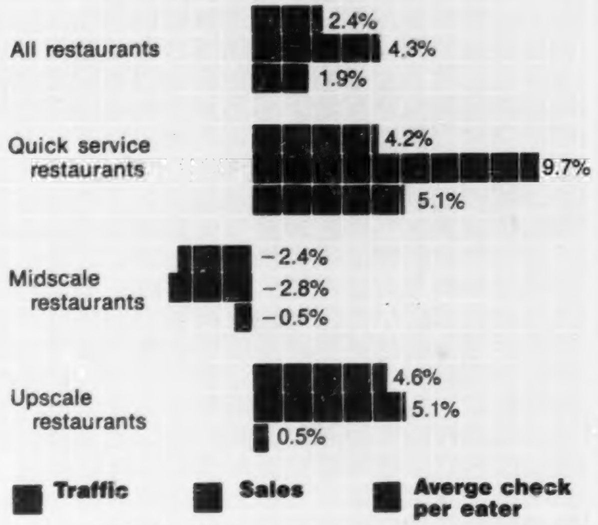
Approximately 10,000 families and 2,800 non-family households, representing demographic patterns in the U.S., have been selected to participate in the study. Each household is asked to record every meal and snack experience during a particular two-week period for each of the four quarters of the year. Detailed entries are required for meals eaten or purchased away from home in establishments, such as restaurants, hotels and motels, fast food/drive-ins, delicatessens, refreshment stands, carryouts, coffee shops, donut shops, ice cream shops or eating places inside variety stores or other retail stores. The diary does not include any meals eaten at schools, hospitals, colleges or other institutional feeding places.

CREST information can help restaurateurs compare their operation's performance with that of the total industry as well as with specific restaurant categories (quick service, midscale or upscale restaurants).

The CREST study can also provide valuable information concerning customer behavior, such as how much people spend, where they spend and when they spend. And, because it is an ongoing study, CREST information allows comparison against a standard—an aid in the development of trend analysis.

Readers wishing more information on the CREST study should contact GDR/CREST Enterprises, one of the NPD Group of marketing and research companies, 9801 W. Higgins Rd., Rosemont, IL 60081.

Summer quarter performance by restaurant segment



Note: Percent change is from the same quarter in prior year.
Source: *Crest Household Report*, CREST, NPD Research, Inc.

percent sales increase. A gain in promotional usage, from 11.7 percent of all occasions to 12.6 percent, probably helped fuel the sales gain.

- The average check size rose 5.1 percent—significantly above the 1.9 percent industry average.
- The quick service ethnic restaurant segment posted the largest traffic increase—25.6 percent. Traffic at both quick service Oriental and Mexican restaurants experienced substantial gains.
- Traffic at quick service specialty restaurants advanced 7.2 percent, led by a strong increase at pizza establishments.
- Sandwich/varied menu restaurants experienced a moderate 4.7 percent increase in customer counts. Varied menu and hamburger establishments posted the strongest gains.
- Traffic at quick service snack restaurants dropped 8.1 percent.

Midscale restaurant highlights:

- Midscale restaurants posted a 2.8 percent decline in sales. A drop in traffic fueled by a 1.3 percent dip in visit frequency contributed to the slower sales.
- Promotional usage dropped from 8.3 percent of all occasions to 8.0 percent, and the average check size decreased a slight 0.5 percent.
- Midscale ethnic restaurants experienced the most significant traffic gain—7.1 percent. Oriental restaurants showed the largest increase in the category.
- Traffic at family style restaurants rose 1.1 percent, led by a significant gain at varied menu establishments.
- The midscale specialty restaurant category posted a slight 0.6 percent increase in customer counts. Family steak establishments experienced the largest advance in the group.
- The hotel/retail segment reported a 12.8 percent traffic decline, and customer counts at cafeterias dropped 6.9 percent.

Update on wholesale food costs

Wholesale food prices in 1984 have risen at a substantially faster pace than during all of 1983. In the first eight months the Producer Price Index averaged a 5.3 percent gain versus an increase of only 1.1 percent in 1983.

NRA's wholesale food price index increased at a similar pace—5.5 percent. In 1983, wholesale food costs for restaurateurs advanced only 0.7 percent. The 1984 price increases can be attributed to several factors:

- The avian flu severely lowered egg supplies and drove poultry and egg prices upward.
- The December 1983 freeze in Texas and Florida limited citrus yields, which caused prices to rise.
- Reduced feed grain crops limited the amount of cattle and pork available for slaughter, sending prices upward.

Recently, however, wholesale prices for many commodities have moderated or declined. NRA's Food Cost Index was up 4.4 percent in August over levels of August 1983. This is down substantially from the July over July gain of 6.1 percent. A drop in prices at the wholesale level for beef, poultry, eggs and fish and shellfish in August helped slow the rise in restaurateurs' food costs.

This article will focus on the outlook for some specific food prices and supplies for the remainder of 1984 and for 1985. Readers are reminded that the analysis presented here is based on information available in late September. Those wishing an updated outlook should contact NRA's Research and Information Service Department.

Outlook for specific commodities . . .

Fruit

The outlook for fruit appears bleak for the rest of 1984 and early 1985. In particular, restaurateurs can expect citrus prices to climb sharply. Two primary reasons emerge as the cause. Texas citrus crop output will remain low due to the effects of last December's freeze. The outbreak of citrus canker, which has invaded Florida groves and nurseries, will seriously affect crop yields in that state. Although imports from Brazil may help alleviate the shortage, prices will still be high. NRA will continue to monitor the situation and will update this information as new developments arise.

Beef

Beef supplies are anticipated to remain low through the first half of 1985. Production in the fourth quarter of 1984 will be down three to five percent from 1983 levels. In the first half of 1985 production is projected to decline an additional five percent. However, production will begin to pick up in the second half of 1985 as more cattle are put on feed due to lower grain prices.

Although production will be low, beef prices are not expected to rise sharply. USDA Economist John Nalivka reports that beef prices are being kept in check because consumers are buying more pork and chicken. In addition, demand for beef has not been as great as is usually expected during an economic recovery, and this is also keeping beef prices down.

Fourth quarter beef prices for choice-fed steers at Omaha should be between $65 and $67 per cwt.—an 8.9 percent increase over the same period last year. First quarter 1985 prices are expected to average $67 to $69 per cwt., approximating the $67.50 per cwt. in the first quarter of 1984.

Pork

Pork supplies should remain low for the rest of 1984, but forecasts indicate that production will be on the upswing in early 1985. Pork production is projected to rise one percent in the first quarter of 1985.

Rising production should help slow the rate of increase for pork prices by the beginning of 1985. Fourth quarter 1984 prices, however, will remain high. An 18.7 percent increase is expected in the fourth quarter. Prices should range from $49 to $51 per cwt. compared with $42.18 per cwt. one year earlier. Although prices will be up slightly in the first quarter of 1985, ranging between $50 and $52 per cwt. (versus $47.50 per cwt. during the first quarter of 1984), this is only a 7.3 percent increase—considerably lower than originally anticipated.

Chicken

Poultry supplies will continue to expand, increasing by eight to 10 percent in the fourth quarter of 1984. Production will slow slightly in the first quarter of 1985, rising four to seven percent.

Increased supplies will result in a drop in broiler prices. Fourth quarter prices should range between 50 and 54 cents a pound—down 5.8 percent from last year. Prices will continue to remain low in 1985. First quarter prices should be about 53 to 57 cents a pound, compared to 62 cents a pound in the first quarter of 1984. This is a decrease of 11.3 percent.

Eggs

Egg production continues to recover from earlier this year when the avian flu reduced supplies. In the fourth quarter of this year production should advance three percent over last year. In the first quarter of 1985 it should advance another three percent.

For 1984, egg prices at the wholesale level are expected to average 79 to 83 cents a dozen—a 7.7 percent increase over last year. Wholesale egg prices for the first quarter of next year should be between 66 and 77 cents per dozen, down substantially from $1.03 per dozen recorded in the first quarter of 1984.

Percent change in Commodity Price Index

Commodity	1982 to 1983	Aug. '83 to Aug. '84	8 mos. '83 to 8 mos. '84	July '84 to Aug. '84
Bakery products	3.2%	5.1%	4.9%	0.2%
Flour and cereal	1.1	0.4	2.2	−1.0
Beef & veal	−3.3	−1.1	−0.6	−2.7
Other meats	−8.7	−3.2	−3.0	−6.8
Pork	−9.6	8.4	−3.1	−4.6
Poultry & eggs	3.2	0.9	20.9	−5.4
Poultry	3.4	3.0	18.2	−6.6
Eggs	2.6	−4.4	27.6	−2.0
Fish & shellfish	6.3	7.2	9.6	−1.1
Sugar & sweets	5.0	1.5	2.9	−0.7
Sugar	8.2	1.7	4.5	−0.4
Vegetables	1.2	12.9	16.9	2.5
Fresh vegetables	1.0	18.6	25.6	3.4
Fruits & juices	2.9	8.5	5.7	7.8
Fresh fruit	6.4	9.3	1.3	6.7
Beverages	1.3	6.4	4.6	0.6
Dairy products	0.6	0.3	−0.5	nc*
Fats & oils	8.8	26.7	31.1	−0.7
NRA Food Cost Index	**0.7%**	**4.4%**	**5.5%**	**−1.2%**
Producer Price Index, All Food Index**	**1.1%**	**4.9%**	**5.3%**	**−0.7%**

*No change.

**Includes all processed foods (except soft drinks, alcoholic beverages and animal feeds) plus eggs and fresh and dried fruits and vegetables.

Sources: NRA; *Producer Price Index*, Bureau of Labor Statistics, September 1984.

Regional menu price increases for first six months of 1984

Menu price increases vary from city to city and region to region. This article examines increases for various regions of the country and selected metropolitan areas between January and June 1984.

Overall increase averages 4.2 percent . . .

During the first half of 1984, restaurant meal prices averaged 4.2 percent above the comparable period in 1983, according to Bureau of Labor statistics. In comparison, food away from home prices were up a slightly higher 4.4 percent for all of 1983. Food prices at the grocery store also have climbed—advancing 3.7 percent in the first half of this year versus only 1.1 percent for all of last year.

North Central region's menu prices up 3.4 percent . . .

The North Central region posted the slowest rise in menu prices in the first half of this year among the four major regions—3.4 percent. This six-month average menu price increase is slightly lower than the 3.5 percent price advance for 1983. Grocery store food prices grew at a slow pace in this region, too, averaging 2.9 percent higher during the first half of 1984 versus the same period in 1983.

Here's a look at what's happened in other regions of the country:

- Between January and June 1984, menu prices in the Northeast and South grew at rates of 4.8 percent and 4.9 percent, respectively.

- Menu prices increased 5.4 percent in the West during this period—the fastest pace among all the regions.
- Cities in the North Central and Southern regions with populations between 75,000 and 385,000 had the smallest menu price gains—2.5 percent and 3.1 percent, respectively.
- Small cities with a population of less than 75,000 generally had the largest menu price advances—ranging from 3.8 percent in the Northeast to 5.4 percent in the West.

Percent change: first-half 1984 versus 1983

City	Food at home	Food away from home
Anchorage, AK	4.2%	3.6%
Atlanta, GA	3.8	2.4
Baltimore, MD	6.3	3.2
Buffalo, NY	3.7	1.0
Chicago, IL	2.7	1.8
Cincinnati, OH	4.8	4.6
Denver, CO	6.1	4.2
Miami, FL	5.5	4.6
Minneapolis, MN	5.3	3.7
Philadelphia, PA	3.1	2.8
Washington, DC	3.9	0.8

Percent change in food prices by region

Region	1980–1981	1981–1982	1982–1983	1983–1984*
Northeast				
food at home	7.1%	3.8%	1.1%	3.5%
food away from home	10.2	5.5	4.2	4.8
North Central				
food at home	6.8%	3.1%	0.3%	2.9%
food away from home	8.0	4.2	3.5	3.4
South				
food at home	7.6%	3.1%	1.3%	4.4%
food away from home	8.9	5.5	4.5	4.9
West				
food at home	8.0%	4.0%	1.8%	3.4%
food away from home	8.7	6.5	5.6	5.4

* First six months of 1984 versus first six months of 1983.

Source: *Consumer Price Index*, Bureau of Labor Statistics

Percent change in menu prices by city size
(first half 1984 vs. first half 1983)

Population size	Northeast	North Central	South	West
More than 1,250,000	5.1%	3.3%	4.0%	4.4%
385,000 to 1,250,000	3.5	3.8	4.7	4.2
75,000 to 385,000	4.1	2.5	3.1	4.0
Less than 75,000	3.8	5.0	4.8	5.4

Source: *Consumer Price Index*, Bureau of Labor Statistics.

Moderate increases in most metropolitan areas . . .

Restaurant meal price increases in many cities across the nation slowed considerably in the first six months of 1984. However, considerable differences in the rate of gain from city to city are evident.

Washington, DC, recorded the smallest price increase—0.8 percent in the first six months of the year. This is down substantially from the 3.8 percent rise in 1983.

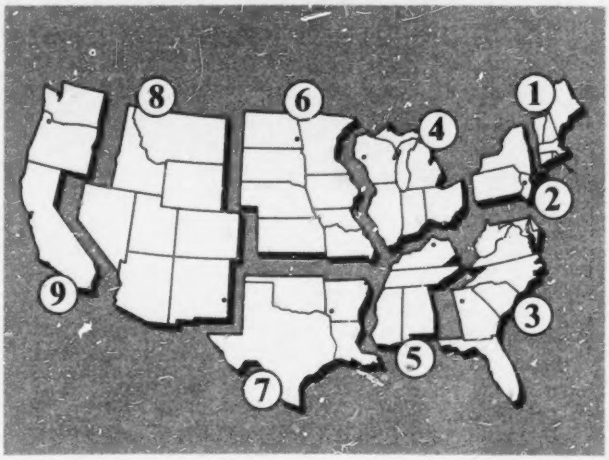
On the other hand, restaurant meal prices in Cleveland rose at the fastest rate—10.1 percent in the first six months of 1984. This was the only major city which reported a double digit increase.

Other city highlights include:

- Reporting relatively low menu price gains in the first half of 1984 were Buffalo, NY, (1.0 percent), Chicago, IL, (1.8 percent) and Detroit, MI, (2.0 percent).
- Menu price increases in San Diego, CA, slowed dramatically from 11.8 percent in 1983 to 6.8 percent in the first half of 1984.
- In eleven cities food prices at the grocery store increased at a faster pace than menu prices, contrary to the national pattern as the accompanying chart illustrates.
- Twelve cities reported higher menu price gains in the first half of 1984 than for all of 1983. These were: Anchorage, AK (3.6%); Boston, MA (9.3%); Cincinnati, OH (4.6%); Cleveland, OH (10.1%); Denver, CO (4.2%); Detroit, MI (2.0%); Houston, TX (7.4%); Kansas City, MO (6.0%); Milwaukee, WI (3.2%); New York, NY (5.6%); San Francisco, CA (6.0%); and Seattle, WA (5.1%).

—Cecelia L. Niepold and Susan Adelman

How's business?



by Cecelia Niepold

As this month's operators illustrate, different restaurants take different approaches to serving the growing family market. Some operators offer entertainment while others offer more functional items such as separate menus and highchairs.

①
NORTHEAST

Location: Lincoln, RI
NRA member: Albert F. Lawton, Jr.
Operation: Lawton's Family Restaurant
In business: 23 years
Meals served: Lunch, dinner
Seats: 100

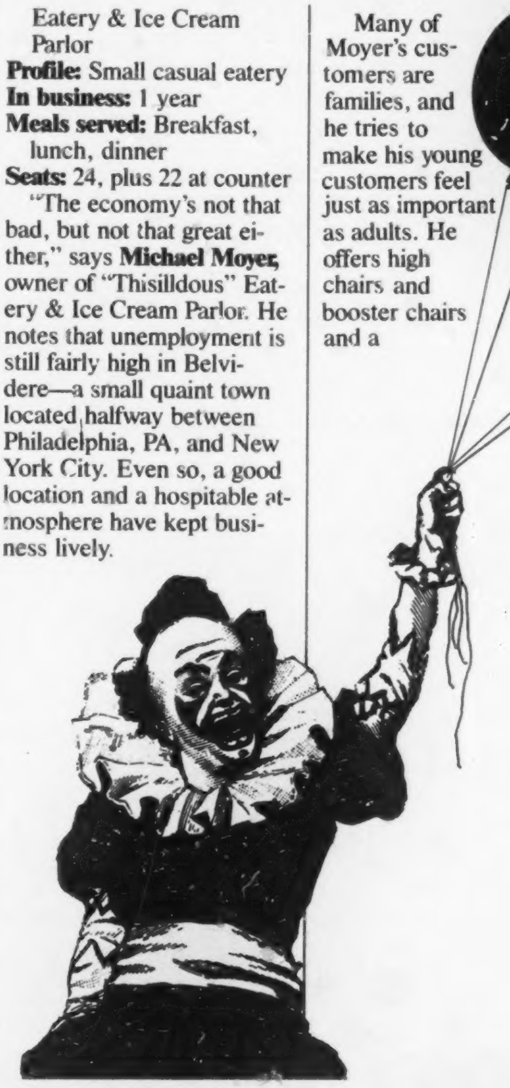
Business is doing "very nicely" at Lawton's Family Restaurant, according to owner **Albert Lawton, Jr.,** who had a record year last year. Lawton is positive about the future and is planning to add a new dining room and an additional parking lot.

Lawton prides himself on catering to his customers' needs. For instance, he offers a children's menu and caters to the special needs of senior citizens, who often ask for items prepared without salt or butter. Lawton says children order hamburgers and grilled cheese sandwiches most frequently, while women and seniors seem to be ordering more seafood.

②
MIDDLE ATLANTIC

Location: Belvidere, NJ
NRA member: Michael Moyer
Operation: "Thisilldous" Eatery & Ice Cream Parlor
Profile: Small casual eatery
In business: 1 year
Meals served: Breakfast, lunch, dinner
Seats: 24, plus 22 at counter

"The economy's not that bad, but not that great either," says **Michael Moyer,** owner of "Thisilldous" Eatery & Ice Cream Parlor. He notes that unemployment is still fairly high in Belvidere—a small quaint town located halfway between Philadelphia, PA, and New York City. Even so, a good location and a hospitable atmosphere have kept business lively.



Many of Moyer's customers are families, and he tries to make his young customers feel just as important as adults. He offers high chairs and booster chairs and a whimsical children's menu. He also entertains children with visiting clowns, helium balloons and even a caricature artist.

Moyer has discovered that weekend brunches are particularly popular meals for families. "They are a good opportunity for parents and children to spend time together," he explains.

③
SOUTH ATLANTIC

Location: Austell, GA
NRA member: Sheldon E. Smith
Operation: Mighty Casey's
Profile: Six-unit fast food chain
In business: 6 years
Meals served: Breakfast, lunch, dinner
Seats: 80 per unit

"Sales are up this year compared to last year," maintains **Sheldon Smith,** president of Mighty Casey's. Smith has six units clustered around Atlanta and maintains that economic conditions are very good in the area. He is opening a new unit this fall and expects to have two more operating by May.

Smith credits his success to his signature item—hot dogs. Customers can order hot dogs with a dozen different toppings, but favorites usually include the chain's homemade chili. Another plus is the fairly extensive menu of atypical fast food items like vegetable trays and made-on-premise onion rings.

Smith's current problem is not finding customers; it's finding personnel. According to Smith, the favorable economy has generated more restaurants. This has reduced the number of available workers. Consequently, wages for fast food workers are rising in the area.

4
EAST NORTH CENTRAL

Location: Menomonie, WI
NRA member: Kevin Vance
Operation: Taco John's
Profile: Mexican fast food restaurant
In business: 2 years
Meals served: Lunch, dinner
Seats: None

The general economy in Menomonie, a small town in the western part of Wisconsin, is fairly stable, according to **Kevin Vance,** owner of a franchised Taco John's unit.

Vance's business has been very good, up about five percent from last year. He attributes part of this growth to his new drive thru window. The drive thru window is open later than any other in town—until 3:00 a.m. on weekends.

Business at Taco John's is strictly take out, and families make up a large portion of Vance's customers. For instance, at dinner almost half the patrons are families who order food to take home.

5
EAST SOUTH CENTRAL

Location: Dry Ridge, KY
NRA members: Harold and Linda Moore
Operation: The Family Fare
Profile: Family restaurant
In business: 3 years
Meals served: Breakfast, lunch, dinner
Seats: 90

The economy is a little slow in Dry Ridge—a rural community located halfway between Cincinnati, OH, and Lexington, KY. Even so, The Family Fare experienced a good summer, according to co-owner **Linda Moore.**

The Moores originally opened a pizza restaurant but decided to add home cooked meals to attract more customers. Specialties include soups and desserts.

Many of Moore's customers are families. They appreciate the restaurant's birthday club, which entitles children to receive a free six-inch pizza, soft drink and cake on their birthdays.

6
WEST NORTH CENTRAL

Location: Fargo, ND
NRA member: Bahman Anvary
Operation: Ponderosa Restaurant
Profile: Two family style steakhouses
In business: 7 years
Meals served: Lunch, dinner
Seats: Average 200

Business has been very good, according to **Bahman Anvary,** manager of two Ponderosa units. Anvary attributes part of the growth to the chain's expanded salad bar, which is 40 feet long and includes about 50 items.

Ponderosa restaurants are generally family oriented, mid-priced establishments, and the chain often features special promotions for children.

"To reach the families, we have to attract the kids," explains Anvary. For instance, the restaurant currently offers a popular low-priced chicken dinner for children. Kids are also offered the extensive salad bar and a dessert at no extra cost.

7
WEST SOUTH CENTRAL

Location: El Dorado, AR
NRA member: John Hill, Jr.
Operation: Hill Cafeteria
In business: 4 years
Meals served: Lunch, dinner
Seats: 350

"Business is very good," says **Judy Overstreet,** manager of the Hill Cafeteria in El Dorado—a medium-sized town in southern Arkansas.

The Hill Cafeteria attracts many families. One drawing card is a special low-priced child's plate, which includes a choice of meats, two vegetables and bread. "Most people want nourishing food for their children," explains Overstreet.

To boost business, in January the cafeteria may offer waiter/waitress service during the dinner meal to give the establishment a more upscale atmosphere.

According to Overstreet, there is demand for more full service family style restaurants in town.

8
MOUNTAIN

Location: Clovis, NM
NRA member: Chris Bryant
Operation: Foxy Drive In
Profile: Old fashioned drive-in
In business: 28 years
Meals served: Lunch, dinner
Seats: 60 inside, 20 car stalls

Business is going very well in Clovis—a farming and cattle area 10 miles west of the Texas border. "Last year was the best we ever had, and this year's been up over last year," says **Chris Bryant,** co-owner of the Foxy Drive-In.

Bryant believes that the rise of the two-income family has contributed to his success. "When both adults in the household work, they don't want to cook," he observes.

The Foxy Drive-In is an old fashioned establishment, complete with individual car stalls so customers can order and eat in their cars.

The restaurant also offers a wide variety of fast food items, ranging from pizzas to Mexican food.

One of the most successful changes they have made over the years is adding a special children's menu. "Not many other fast food places offer a children's menu. People really seem to appreciate it," says Bryant.

9
PACIFIC

Location: Portland, OR
NRA member: Bill Perry
Operation: Hamburger Patti's Restaurant
Profile: Family style neighborhood restaurant
In business: 12 years
Meals served: Brunch, lunch, dinner
Seats: 76

The economy seems to be improving in Portland—an area that is fairly dependent on the housing and building industry. Business at Hamburger Patti's is up about 10 percent over last year, says owner **Bill Perry.**

Part of his success is the broad based menu, which means the whole family can enjoy the meal, Perry explains. The menu offers hamburgers as well as other homemade entrees. Possible future additions include more low calorie and non-beef items.

Also important is the comfortable and relaxed atmosphere which comes from a well-trained service staff. For instance, waiters and waitresses are trained to give parents a little extra help—whether it's calming down the kids or specially cutting up sandwiches.

FOOD FOR THOUGHT

A new market for vegetable growers

Blue-green corn, canary yellow beets, purple bell peppers, orange mushrooms—one or more of these exotic looking vegetables is likely to complement meals served in Los Angeles' poshest restaurants. And when the focus is not on color, it is likely to be on size—small size, that is.

Baby vegetables about the size of an index finger and scallopini squash—a flying-saucer shaped creation about the size of a half-dollar—are just two of the popular new vegetables making their way to California restaurant kitchens. "They're charming. How can you resist?" asks Michael Roberts, chef at West Hollywood's Trumps restaurant. "It's like a whole little family of things walked out of the garden and onto your plate."

Roberts and chefs like him in Southern California have created a new market for vegetable growers, who are cultivating exotic varieties to meet the increased demand for new kinds of vegetables. Why the effort? The chefs say they want to move away from sauces to highlight what is naturally dramatic. The trend toward vegetables in bright colors and small sizes is already spreading towards the Atlantic.

—Washington Times

NRA NEWS *Postscript: During the May NRA Show, miniature vegetables figured prominently in the recipes for the Dinner of the Century, demonstrating that they have indeed caught on with some of the country's finest chefs.*

Guidebooks influential in restaurant choices

According to a recent Gallup poll, consumers are at least three times more likely to be influenced by an ad in a local guidebook than any other media source when choosing a restaurant while on vacation. More than 1,000 adults were asked to rate the influence of ads in guidebooks, newspapers, billboards and radio or television on their dining out decisions. Nineteen percent said that guidebooks are most influential, while only six percent are strongly influenced by the other types of advertisements.

Not surprisingly, the greatest number of respondents (44 percent) said they rely on the recommendations of local townspeople when choosing a restaurant away from home.

A kid's view

It takes a little bit of flour, 14 raisins, four stirs and about 20 hours in an 80-degree oven to bake a batch of chocolate chip cookies. That's according to five-year-old Rhody Guzman of Battle Creek, MI, whose kindergarten teacher at Urbandale Elementary School asked him and his classmates to write down their favorite recipes.

Other favorites include pizza, by Craig Wilson—"Put some of that red stuff on it"—and eggs, by Jason Demnick—"It's done when you see grease on the yellow." And little Russell Kostakis was right on the mark with his chocolate cake recipe: "When it's ready, you can eat a piece. Then it's all gone."

—USA Today

Recapturing the luxury of an era gone by

In their heyday, trains were a luxurious, stately means of travel. Roosevelts, Rockefellers and Astors crisscrossed the country in their own private railroad cars, dining on gourmet dishes in posh surroundings.

Today, many railroad car owners are recapturing the luxury and romance of train travel of days gone by. The American Zephyr train, which runs regularly between New York and Washington, is stylishly appointed in art deco style, with etched glass, polished wood and mauve upholstery. Meals are served on linen tablecloths set with china and silver, and dishes include snapper turtle soup, duck liver terrine, stuffed shrimp provencal and chocolate truffle cake. At $500 a trip (which includes weekend accommodations in New York), train owners John Hickman and Kendall Wilson say their service is for upscale travellers who have always been fascinated by the mystique of luxury train travel.

The Norfolk Southern Corporation, a Washington, DC-based railroad company, has restored a private railroad car once used by Franklin D. Roosevelt. The 1927-vintage Pullman car is permanently parked at Washington's Union Station, and is primarily used to wine and dine visiting corporate executives. The car has changed little since Roosevelt's day—even the fitted handrails installed in the disabled president's room still remain.

—The Washington Post and *The New York Times*

Making even the simplest function go the way you want isn't always easy
but

Help is on Its Way

When things are not going well in your establishment, the problem can often be traced to poor management/ employee relations, lack of proper supervision or insufficient employee training.

If this is the case in your operation, NRA's employee management publications *can* help. Each of the publications listed below goes right to the heart of a specific employee/management issue. Each NRA book, brochure and pamphlet is designed to give the foodservice manager or supervisor working solutions to demanding employee relations issues.

Help is on the way when you order any of the following publications from NRA. Use the order form between pages 40 and 41 to place your order.

The First Day

A comprehensive checklist to assure that nothing is overlooked during employee orientations. Proper orientations significantly reduce turnover. *12 pgs.* File format booklet $1.50.

The Success of Our Restaurant Depends on You

A payroll stuffer program to let your employees know how much you depend on them. This program is designed to help you boost employee morale and let employees know you care. *Folder with nine inserts, poster, booklet* $3.50.

A Foodservice Operator's Guide to Benefit Plans for Hourly Employees

Are your employees being sufficiently compensated? If they are not, it could lead to lack of motivation and reduced productivity in your operation. This guide reviews 16 different benefit programs in the industry, from meal credits to profit sharing. *48 pgs.* $12.50 members, $25.00 non-members.

Stress Management for the Hospitality Manager

The foodservice environment can be stressful. Managers must not only learn to cope with their own stress, but they must learn to defuse excess employee stress as well. This book will guide you through causes, symptoms and means of controlling stress. *24 pgs. Soft cover,* $10.00

Profitable Foodservice Management

This series of nine manuals focuses on specific areas of foodservice management, from planning efficient and productive meetings to reducing employee turnover. Ranging from 24 to 36 pages each manual can be ordered separately or as a set of nine. *Individually* $4.00 each; *set of nine* $36.00.

Profitable Foodservice Management Through . . .

1. Job Analysis, Description and Specification *28 pgs.*
2. Employee and Management Meetings *32 pgs.*
3. Good Supervision *28 pgs.*
4. Reduction of Employee Turnover *30 pgs.*
5. Job Evaluation *26 pgs.*
6. Worker Motivation *28 pgs.*
7. Performance Appraisals *36 pgs.*
8. Employee Counseling and Intercommunications *24 pgs.*
9. Recruitment and Selection of Employees *34 pgs.*

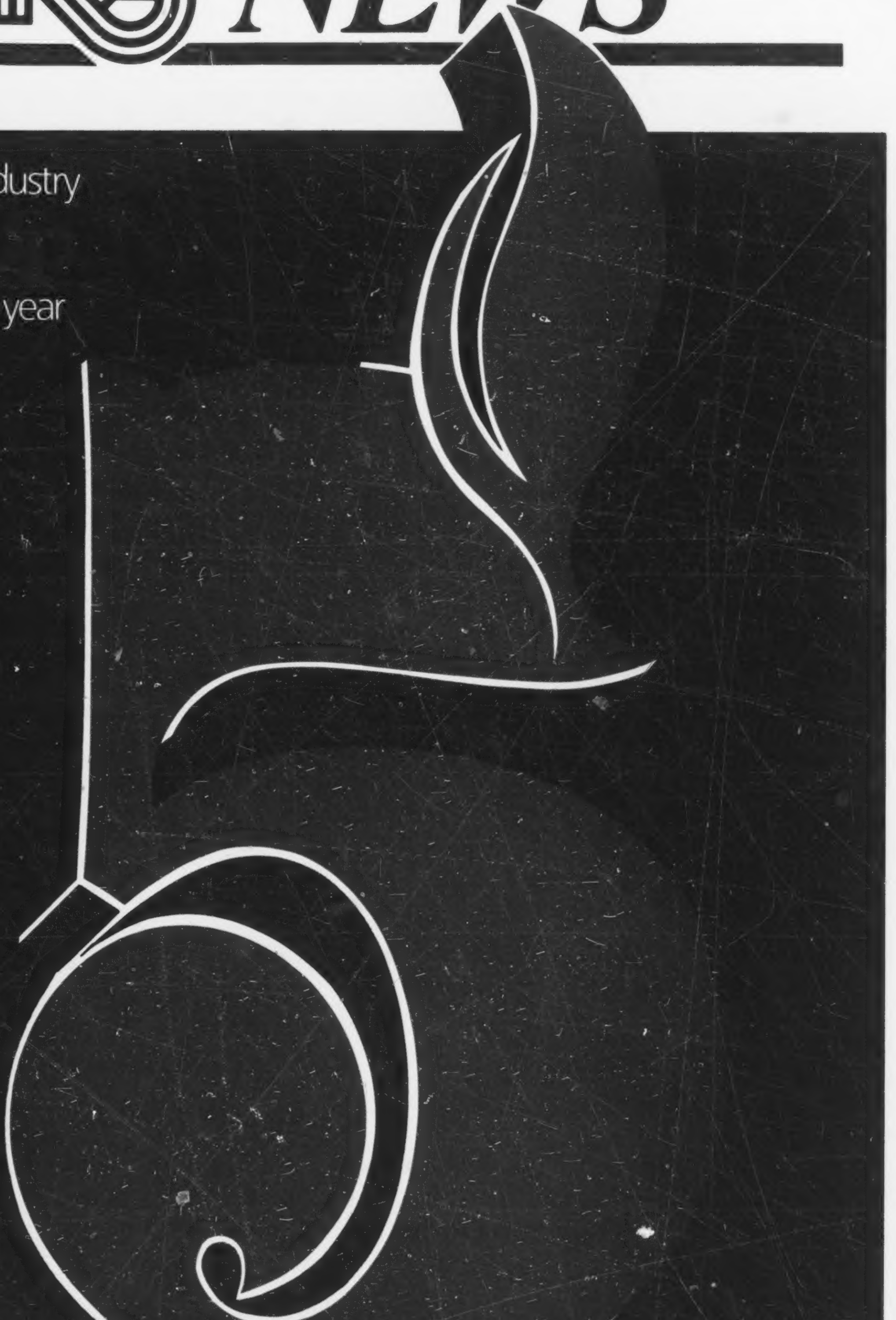
To Order

Fill out the order form between pages 40 and 41 of this issue of *NRA News*.

National Restaurant Association
Vol. 4 ☐ No. 11 ☐ December 1984

NRA NEWS

Foodservice Industry



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Basic Foodservice Courses

Basic Supervision in Foodservice

1/22	Tucson, AZ
2/26	Covington, KY
3/5	Kansas City, MO

Dining Room Management

1/16	Frederick, MD
1/24	Pittsburgh, PA
2/13	Salt Lake City, UT
2/19	Los Angeles, CA
3/13	Cherry Hill, NJ

Increasing Foodservice Productivity

2/18	Los Angeles, CA

Kitchen Management

1/22	San Diego, CA
1/24	Reno, NV
2/13	Springfield, VA
3/5	Allentown, PA
3/7	Providence, RI

Opening a Restaurant: Before You Start Cooking . . .

2/26	Rochester, NY
3/12	Indianapolis, IN

Tools for Training

2/11	Dallas, TX
2/26	Springfield, MA
2/28	Baltimore, MD
3/19	Knoxville, TN
3/21	Louisville, KY

Food Production Courses

American Regional Cookery

2/5	Atlanta, GA

The Pantry: Prep for Profit

2/18	Los Angeles, CA
2/20	Seattle, WA

Perfecting Your Culinary Skills

2/19	Los Angeles, CA
2/21	Chicago, IL

Simplified Baking Workshop

2/12	Dallas, TX

Soups and Sauces

1/15	Los Angeles, CA
2/11	Dallas, TX
2/13	Oklahoma City, OK
3/12	Meadowlands, NJ
3/14	Detroit, MI

Foodservice Management Courses

Creative Merchandising Techniques

2/27	Las Vegas, NV
3/6	New Orleans, LA
3/13	Concord, NH

Food Cost Management

2/19	Columbus, OH
2/21	Long Island, NY

Hospitality Workshops

1/29–30	**Full Service** Boston, MA
2/6–7	**Full Service** Nashville, TN

Location! Location! Location! How to Successfully Negotiate and Finance Your New Operation

1/14–15	Los Angeles, CA
3/6–7	Dallas, TX

Menu Development

1/24	Denver, CO
3/10	Washington, DC

Off-Premise Catering

1/21–22	Indianapolis, IN
2/11–12	Dallas, TX
3/25–26	Philadelphia, PA

Operational Analysis

2/26–27	Las Vegas, NV

Planning & Implementing Restaurant Marketing Strategy

1/22–23	Cincinnati, OH
3/19–20	Boston, MA

Restaurant Design & Facilities Planning

2/18–19	Los Angeles, CA
3/4–5	Tampa, FL

Conferences

1/27–30	**National Management Conference for Independent Operators** New Orleans, LA
3/24–27	**National Conference on Computers in Foodservice** Las Vegas, NV

Please note that registration fees have been reduced for the **Basic Foodservice Courses. For more information, contact:**

NRA Education Programs
311 First Street, N.W.
Washington, DC 20001
800-424-5156 or
(202) 638-6100

*Replaces Controlling Labor Cost

STUDY GROUP MEETINGS

Study Group Meetings

Foodservice Security Council	
January 13–15	Dallas
Safety Officers	
January 15–17	Dallas
Large Volume Independent Operators	
January 26–30	New Orleans
Labor Relations	
February 5–6	Orlando
Market Research	
April 10–12	Washington, DC
Financial Officers	
April 10–12	Palm Springs
Tax Executives	
April 10–12	Palm Springs
EDP	
April	San Diego
Internal Audit	
April 30–May 3	Lake Tahoe
Foodservice Purchasing Managers	
May 15–17	Chicago
MAECO	
May 15–17	Chicago
Marketing Executives	
May 15–17	Chicago

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Vol. 4 No. 11 December 1984

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Editorial offices
and NRA headquarters
311 First Street, N.W.
Washington, DC 20001
(202) 638-6100

Chicago offices
One Park Place, Suite 2000
Chicago, IL 60601
(312) 853-2525

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PRESIDENT'S REPORT

Harris O. Machus
President and Owner
Harris O. Machus
Enterprises, Inc.
Birmingham, Michigan

NRA forecasts continued growth

I wish you a happy and prosperous holiday season. It's always nice to be the bearer of good tidings as we approach the new year, and NRA's Annual Economic Forecast for the Foodservice Industry projects excellent growth for 1985.

Total industry sales will reach $178 billion, a $13 billion dollar increase over 1984. That's a 3.2 percent increase in sales measured in dollars adjusted for inflation.

NRA is predicting that 1985 will be the fifth consecutive year of growth for foodservice and the third consecutive year of strong growth.

A healthy national economy is in part responsible for this steady advance, but the rest of the credit goes to the creative businessmen and women in our industry who have responded to evolving consumer demand with exciting innovation.

I encourage you to read with care the "Forecast" in this issue of ***NRA NEWS.*** It will give you a clear overview of customer trends and industry response.

NRA protests tax proposals

There is, however, always the danger that ill-considered legislation could limit our industry's growth. In November the U.S. Treasury Department released proposals on income tax simplification and reform. This so-called "modified flat tax" plan would eliminate a number of deductions and credits but would also lower individual and corporate tax rates.

The Treasury Department plan would have a strong negative effect on some foodservice operations. One proposal calls for capping business entertainment meal deductions at levels of $10 per person for breakfast, $15 for lunch and $25 for dinner, inclusive of sales tax and tip. A related proposal would cap deductions for business travel expenses at twice the *per diem* allowance for government employees.

Without any doubt, these limitations on the deductibility of business meals would reduce foodservice sales in many of the nation's fine restaurants. Inevitably, employees would have to be let go, and some restaurants could face bankruptcy. Ironically, the ripple effect in the economy would result in reduced revenues at the federal, state and local levels. In other words, everyone would suffer from such a change in the tax law.

Other proposals in the Treasury Department plan—elimination of the targeted jobs tax credit, investment tax credit and accelerated depreciation—would also adversely affect foodservice companies. Corporate income tax rates would be reduced from 46 percent to 33 percent, however.

Provisions in this plan will be debated and possibly changed during the next few weeks. Senator Robert Packwood (R-OR), the new chairman of the Senate Finance Committee, has indicated that he will hold hearings on the tax proposal in February. NRA has already voiced our industry's opposition to these changes. We will continue to monitor the situation and to act when appropriate. Rest assured that this matter is top priority in our Washington office.

NRA fights labeling recommendation

NRA is continuing to oppose the imposition of sulfite labeling on the foodservice industry. A panel of scientists has prepared a preliminary report for the Food and Drug Administration (FDA) on what should be done to protect those asthma sufferers who become ill after ingesting sulfites. This preliminary report recommends warning signs and the labeling of menus in restaurants as a solution.

At a hearing held in late November, NRA attempted to get that recommendation stricken from the report. NRA spokesmen told the panel of scientists that, given the nature of foodservice supply lines, consistent and accurate menu labeling in restaurants is impossible.

They also pointed out that menu labels and wall signs would not offer sulfite sensitive asthmatics sufficient protection. Such labels would frighten patrons who have no need for concern, supply insufficient information to those people who should be concerned and offer no protection to those asthmatics who are as yet unaware of their sulfite sensitivity.

NRA's testimony concluded that, if FDA determines that sulfiting agents are a health hazard to a significant number of people, it should impose a partial ban on use of the substance rather than require menu labels. Specifically, FDA should ban the application of sulfites—by both suppliers and restaurateurs—to those foods most frequently linked to serious reaction among sulfite-sensitive asthmatics.

The panel of scientists will review these comments and the testimony of other interested parties in the weeks ahead. They will submit a final version of their report to FDA in January 1985.

During the past month, 129 members joined NRA. I welcome you to the most prestigious foodservice trade association in the world. Your participation in NRA will make your business grow and make the association more effective in its endeavors on your behalf. We're glad to have you with us.

Sincerely,

Harris

Harris O. Machus
President & Chairman of the Board

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SHORT ORDERS

Can defect chart available

The Association of Official Analytical Chemists, in cooperation with the Food and Drug Administration, has developed *Classification of Visible Can Defects*. This can defect chart can help avoid dangerous and costly food product problems. The chart is sold in groups of 10 ($43) from the Association of Official Analytical Chemists, 111 North 19th St., Suite 210, Arlington, VA 22209. The telephone number is (703) 522-3032.

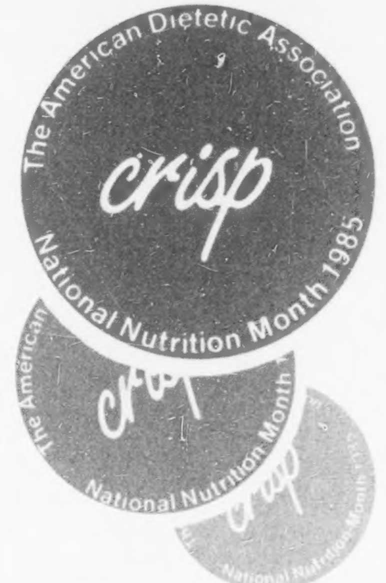
Fish cookery added to CIA curriculum

A course in fish cookery was recently added to the curriculum at The Culinary Institute of America (CIA) because, as Educational Department Head Richard Czack said, "The delicacy of fresh fish and seafoods warrants special attention."

Planning for the seven-day course and for the redesigned kitchen in which it is taught began nearly three years ago.

According to CIA President Ferdinand Metz, "The course has a triple responsibility. In addition to teaching all basic methods of cooking and serving fresh and salt-water fish, shellfish and crustaceans, the class establishes specifications and receives all seafoods used at the school."

The methods of storage, butchering and cooking taught in the class could save 40 to 60 percent of the waste usually associated with fish. "We are trying to give cooks an awareness that they cannot just use the center cut; they should also use the tail, belly and necks for different purposes. We teach our students to save the best part of the product for a dish that will bring maximum money and to use the trimmings to make seafood sausages, mousse, forcemeats, terrines and quenelles," says CIA Fish Cookery Instructor Roland Henin.


The American Dietetic Association
crisp
National Nutrition Month 1985

March: National Nutrition Month

March is National Nutrition Month, an annual event sponsored by the American Dietetic Association (ADA) to spread the word about nutrition and fitness.

The theme this year is "Food: It even sounds nutritious." ADA has developed posters, bulletin board banners, table tents, bookmarks, balloons, buttons and placemats/traymats to help restaurateurs and others participate in the nutrition campaign. For further information about National Nutrition Month, contact ADA at 430 N. Michigan Ave., Chicago, IL 60611; (312)280-5000.

NRA member implements Hospitality Project

Hillside Restaurant and Molly O's, Williamsport, PA-based restaurants, have obtained certification from NRA for successfully completing their new Hospitality Projects and implementing the hospitality program in all aspects of their foodservice operations. NRA's Hospitality Project provides restaurant operators and their staffs with measurable standards for quality service.

David M. Miele assumed the position of project coordinator, overseeing the training of management and staff as well as project implementation in both restaurants. In less than six months, the operations successfully completed all staff, management, project coordinator and restaurant certification steps as well as the Hospitality Project Self-Auditing Checklist.

The Hillside Restaurant, in operation since 1979, is a fine dining establishment while Molly O's is an Irish pub that has just recently opened.

Monroe Community College wins NRA/AVA award

Monroe Community College of Rochester, NY, has been awarded the 1984–85 NRA/AVA (American Vocational Association) National Award of Excellence. Monroe was chosen from five regional semifinalists as the program that best exemplified excellence in post-secondary foodservice education.

First runner-up is the Milwaukee Area Technical College in Milwaukee, WI. Other regional finalists are Greenville Technical College in Greenville, SC; Del Mar College in Corpus Christi, TX; and Pima Community College in Tuscon, AZ. An honorable mention was also awarded to Grand Rapids Junior College in Grand Rapids, MI.

These winners will be recognized by each of the cosponsors at its annual show/convention, and the winner will receive an all-expense-paid trip to both events.

WASHINGTON REPORT

1984 legislation in review

1984 was a year of legislative ups and downs, but there were substantial victories for the industry in this election year.

NRA's efforts to remove the burdensome and duplicative inspection of restaurant central kitchens met success late in the session when Congress approved a bill exempting the kitchens from USDA review.

The President signed the legislation on October 17, 1984, immediately removing inspection requirements for central kitchens under the U.S. Meat and Poultry Inspection Acts. (See November ***NRA NEWS*** for details.)

Four changes in tips reporting law . . .

NRA-backed changes to the 1982 tip reporting law were also adopted by Congress this year when it passed a $50 billion tax bill. NRA worked with the Senate Finance Committee staff to institute four changes that will clarify and simplify the tip reporting law:

- Under the new law, an establishment's tip reporting threshold (8 percent of sales) may be reduced to as low as 2 percent upon written application to IRS (previously, an establishment could "prove down" to just 5 percent).
- Tipped employees may now, upon majority vote, apply for a reduced percentage (previously, only the employer could apply for a reduced percentage). NRA supported this change with the stipulation that employees should not be given access to confidential employer information.
- The new law eliminates the requirement that a 50 percent owner be counted as an employee for purposes of coverage.
- The new law also requires IRS to issue regulations clarifying an employee's recordkeeping responsibilities for tip income.

Immigration bill dies . . .

Ever mindful of the November elections, Congress put aside until next year much legislation unpopular with the voters. That worked to the foodservice industry's advantage when Congress let die an NRA-opposed immigration bill in the waning days of the session.

Targeted Jobs Tax Credit extended . . .

In other congressional action, the Targeted Jobs Tax Credit (TJTC) was extended until December 31, 1985, as part of the 1984 tax bill. The credit, used by restaurateurs to hire disadvantaged youth, veterans and the handicapped, would have expired on December 31, 1984.

Although NRA advocated a multi-year extension, employers can take solace in that TJTC was one of the few tax credits left untouched in Congress' search for new revenue.

Tip income to be considered wages for unemployment taxes . . .

The tax bill also included several NRA-opposed provisions that will eventually mean higher costs for restaurateurs. A House-added provision will require for the first time that all reported tip income be considered taxable wages for federal unemployment (FUTA) taxes.

NRA pressed for the elimination of the FUTA increase when the tax bill went to conference, but conferees were willing only to grant a one-year delay in the new tax.

This provision becomes effective January 1, 1986, unless a state legislature has not met for 25 consecutive days. Under that circumstance, the provision is effective on January 1, 1987.

The House and Senate also negotiated an increase in the federal exise tax (FET) on distilled spirits. A Senate-proposed $2 per proof-gallon increase was adopted over the $3.75 per proof-gallon increase proposed by the House.

The FET increase is effective on October 1, 1985. This provision also includes a one-time inventory tax of $2 per proof-gallon on all stock of more than 400 proof-gallons held by any retail seller on October 1, 1985.

National purchasing age of 21 for alcoholic beverages . . .

Finally, in response to public pressure to crack down on drunk drivers, the 98th Congress passed legislation that, in effect, creates a national purchasing age of 21 for alcoholic beverages.

Under the new law, states that have not adopted a 21-year-old purchasing age by October 1, 1986, will forfeit five percent of their allotted federal highway funding. Those states that have not adopted a 21-year-old age by the following year (October 1, 1987) will lose an additional 10 percent of their highway funding. However, lost funding may be recovered if a state approves the 21-year-old purchasing age after these deadlines.

The final law also provides for grants to states that adopt mandatory sentencing for drunk driving convictions.

—Jay Morris and Michelle Rabayda

WE'RE COUNTING ON *YOUR OPINION*

NRA's monthly membership poll tracks your views on important national issues affecting the foodservice industry.

Your reponses to these questions will help NRA represent the industry in Washington.

Question 1. Tax fringe benefits?

The tax-free status of employer-provided fringe benefits will come under fire next year from two fronts—Congress and the Treasury Department.

Attempts to restrict fringe benefits began in the last Congress. The 1984 Tax Act places new limits on fringes for the first time, including a requirement that certain benefits be provided on a nondiscriminatory basis. Now the Treasury, in an effort to treat all taxpayers equally, has proposed capping or eliminating the tax-free status of many other fringe benefits. Treasury would make health care benefits, for example, subject to tax if the premiums exceeded $70 a month for an individual and $175 a month for a family. Treasury's plan also would repeal the current income-tax exclusions for employer-provided group term life insurance, death benefits, legal services, child care, educational assistance and "cafeteria" plans.

The phenomenal growth of tax-free fringes and the resultant drain on the Treasury have spurred the current debate on this issue. In 1982, employer-provided benefits reached a record $540 billion, and they now amount to roughly one-third of all payroll dollars. At the same time, tax-free benefits cost the Treasury about $70 billion in lost revenue last year.

Pros: Proponents of limiting the tax-free status of fringes argue that employees are not paying taxes on all of their income. Taxing fringes would put all employees on equal footing with IRS, ending the preferential tax treatment enjoyed by highly-compensated individuals. The taxing of fringes would also lead to the elimination of certain fringes provided on a discriminatory basis. And removing the tax-free status of fringes would provide more revenue .

Cons: The benefits to society resulting from employer-provided benefits far outweigh their immediate cost to the Treasury. Taxing such essential benefits as health and life insurance would cause employees to forego adequate coverage and that, in turn, would cause increased reliance on government social programs. It would cost considerably more for the government to provide health care and retirement benefits directly to individuals than to indirectly subsidize them through the tax code.

Should the fringe benefits you provide your employees be subject to federal income tax?

Question 2. Eliminate accelerated depreciation, ITC?

One of the most provocative proposals in the Treasury Department's tax reform plan is the elimination of the 1981 accelerated cost recovery system (ACRS) in favor of a program that would "stretch out" write-offs for tangible property and index them for inflation. The proposal would also repeal the investment tax credit (ITC), which allows a credit against tax liability for investment in certain depreciable property.

Treasury would replace ACRS with its proposed "real cost recovery system" (RCRS). According to Treasury, RCRS would provide a fair and more accurate measure of real economic income. By eliminating ITC and revising ACRS, write-offs for property would be more evenly distributed over the life of an asset. The plan would also attempt to correct problems in the current system caused by inflation.

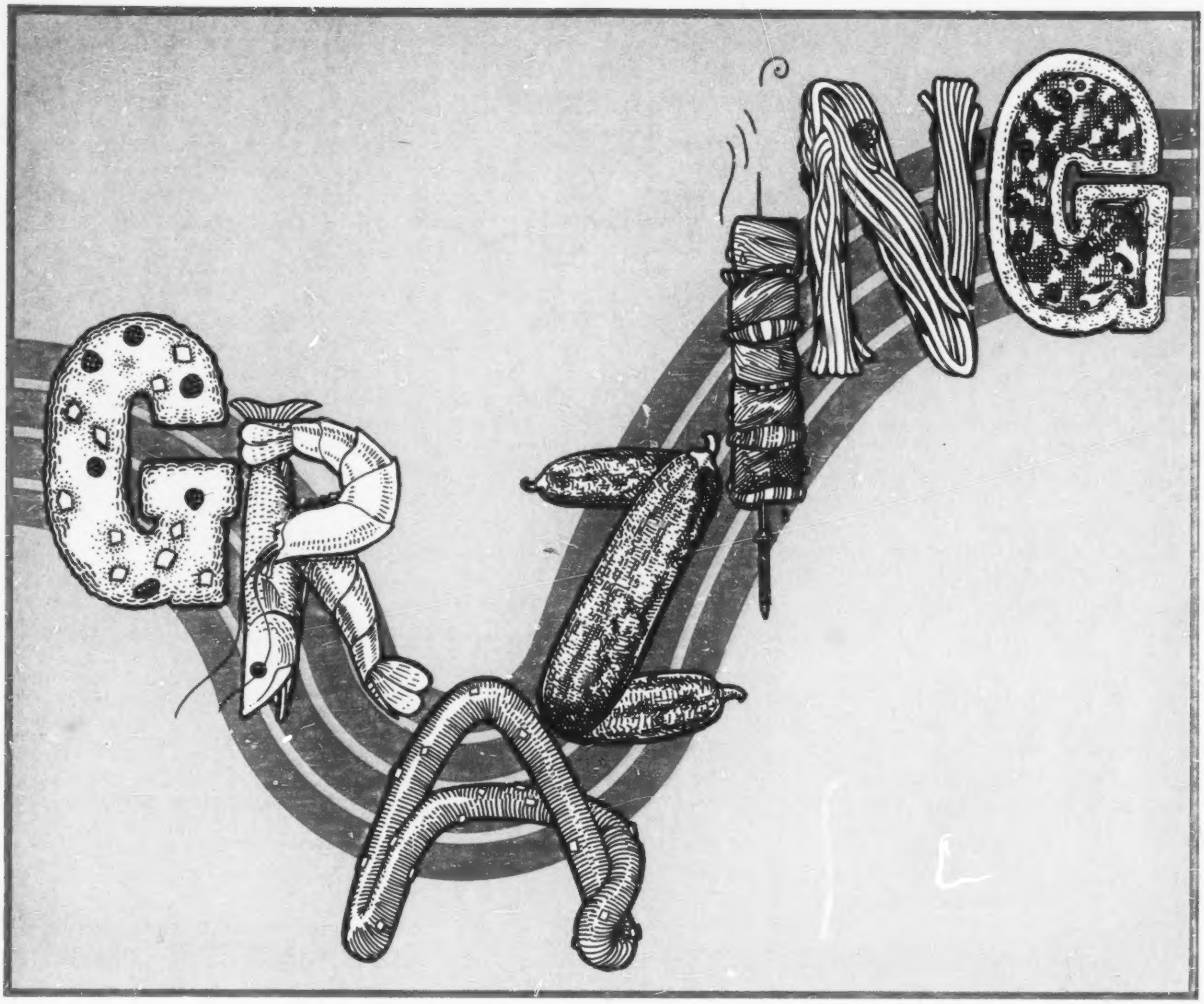
As a trade-off for these changes, Treasury has proposed lowering the maximum corporate tax from 46 to 33 percent and making half of all dividends paid to shareholders deductible.

Pros: Low or negative effective tax rates on ACRS property and the tax deferral resulting from accelerated depreciation allowances distort investment decisions, Treasury argues. By significantly shortening the useful life of assets, ACRS and ITC have encouraged non-productive, tax-motivated investment activity. As a result, ACRS and ITC have disproportionately benefited capital-intensive industries, allowing them to pay taxes at a much lower rate than the labor-intensive service industries.

Cons: Advocates of ACRS and ITC say the 1981 changes in the law were the impetus of current economic expansion. A slowdown in depreciation and repealing ITC would discourage capital formation, and reduce demand, production and employment, according to economists at Washington University in St. Louis. Reduction of the corporate income tax rate from 46 to 33 percent would not make up for the higher taxes resulting from the loss of ACRS and ITC, say business leaders of industries which have made use of these tax breaks.

Would the elimination of ACRS and ITC in favor of Treasury's tax reform plan benefit your business?

Please respond to the above questions, using the attached postage-paid card.



Customers indulge their wandering palates

by Susan Puckett

From 11:30 a.m. until midnight every day of the week, customers flock to Brown Thomson & Co. Restaurant in downtown Hartford, CT—but not necessarily to dine. Rather than order a full-course meal from the more-than-100 item menu, they're likely to opt for an appetizer or two, a voluptuous dessert or both—and skip the entree altogether.

This new dining pattern has been called "grazing"—a term used to describe the burgeoning segment of the population that rarely sits down to formal meals—either at home or away. Instead, they follow their wandering palates to places that can fulfill whatever they happen to be craving at the moment, as quickly as possible. It may be the Chipwich from the downtown street vendor, the super-stuffed spud from the shopping mall food court, the pasta salad from the gourmet carryout or a mountain of cheese-covered nachos from a favorite restaurant.

Who grazers are . . .

Grazers, according to a recent article in *The Wall Street Journal*, are largely comprised of the baby boomers who grew up on fast food. Now their tastes have grown up. Many have graduated from cheeseburgers, fries and milkshakes to more sophisticated short-order fare: ham and cheese-stuffed croissants, fried zucchini sticks, and "tofutti," a soybean-based concoction similar to ice cream.

Although the term grazing has only recently been applied to people, eating on the run isn't a new phenomenon. The first signs of the trend began surfacing during the recession of the mid-1970s, when more women entered the work force and had less time to spend preparing meals.

The growing number of one and two-person households has also had a significant effect on the nation's changing eating habits. "Going out to eat used to be a big treat," says Harry Balzer of NPD Research, a Chicago-based market research group which studies consumer eating trends. "But for most people today, it's become a way of life."

What grazers look for . . .

Convenience, quality and variety are top priorities in making their food selections. "They enjoy trying different ethnic foods and specialty foods . . . they're interested in health and nutrition, but counting calories isn't their number one concern," says Balzer.

Many restaurateurs have found they can reap big profits by appealing to this finicky, fast-paced, sophisticated market. But with every other segment of the food industry vying for their business as well, it requires an extra amount of creativity and clever marketing to keep them from moving on to greener pastures. Already operators from every segment of the industry are taking advantage of grazing.

Since it first opened four years ago, Brown Thomson and Co. has been a mecca for grazers. Steve Dean, director of the Restaurant Group of Connecticut, which owns the restaurant, attributes its appeal primarily to the diversity and consistent quality of the menu items, the quick service and the lively but relaxing atmosphere.

"We're very big on variety here," he notes. "We want the customer to be able to get anything he wants at Brown Thomson's—at any hour we're open."

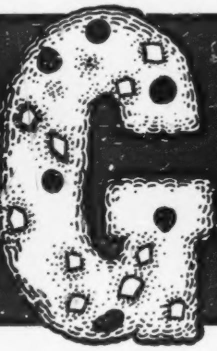
The extensive menu features more than 40 appetizers designed to appeal to all tastes: potato skins stuffed three ways, "pizzas" on pita bread crusts, crocks of escargot, cups or bowls of a fiery chili, deep-fried vegetables and ceviche—shrimp and scallops "cooked" in a lime juice marinade—which sells "real well with dieters."

To answer New Englanders' growing demand for spicier foods, there are 12 Mexican-influenced items on the appetizer list alone. For the adventurous eater who has trouble making a selection, there is a sampler of six different appetizers, including deep-fried vegetables and miniature pork and chicken kabobs.

Appetizers, light foods popular . . .

The appetizers, Dean says, sell particularly well around 3 p.m. or 4 p.m. "when a lot of people like to come in for a snack." He added, however, that "because our portions are so enormous, it's not unusual for a party of six to split several appetizers between them and let that be their dinner."

Houlihan's Old Place, a multi-unit operation owned by Gilbert/Robinson, Inc., in Kansas City, MO, has also expanded its appetizer menu dramatically in the past few years to give the grazers more of the choices they seek. Also big sellers with this group are the 20 items on the chain's new "light" menu. Frederick R. Hipp, executive vice president, calls it "taking the grazing concept one step further."



Grazers follow their wandering palates to places that can fulfill whims they happen to be craving at the moment.

The supplemental menu features offerings which allow customers to venture far beyond cottage cheese and fruit platters while watching their waistlines. The leading entrees on the list are glazed chicken teriyaki with fresh vegetables and sesame-shrimp stir fry. There's also an assortment of pared-down desserts, such as a hot blueberry granola crunch and a "cappuccino puff," which is a large cream puff filled with chocolate mousse and covered with a mocha chocolate sauce.

But dieters aren't the only ones who order from the light menu. "It's also a great rationalizer for those who want to splurge afterward, and order a piece of our three-layer, seven-inch-high cappuccino cake," he adds.

Fast service critical . . .

Because grazers are typically in a hurry, fast service is more important than ever. "While it's important to be creative with your menu, you've also got to keep the recipe time down to a minimum," Hipp says. "Most of our items take seven or eight minutes to prepare; 12 minutes is the maximum time allowed for even our slowest items to get out of the kitchen."

At lunchtime, an "express" menu is available for customers who are more pressed for time than usual. The menu is limited only to items which are ready in an instant, such as croissant sandwiches, soups and salads. The express menu is also much shorter than the regular one, Hipp adds, because "much of the customer's time in the restaurant is spent trying to make a decision."

Coordination of floor help is imperative to getting the orders out to customers. "We call it the 'flying food show,' " Hipp adds good humoredly. "As soon as an order goes up on the line, the next waiter or waitress takes it out—regardless of who originally waited on the customer."

Fast food for sophisticates . . .

Quick service and quality food are also two of the major objectives of another chain which appeals widely to grazers: The Fresher Cooker. Its "nothing-fried" menu includes a bevy of salads, fancy-topped potatoes, sandwiches, soups and hot and cold pasta dishes—all made with fresh, preservative-free ingredients. The 15 units currently located in Louisville, KY; Orlando, FL; Indianapolis, IN; and Silver Spring, MD, are set up not as full-service restaurants, but as freestanding fast food operations, with the exception of one that is located in a shopping mall food court.

"In 1978, I began noticing that people's tastes were getting more sophisticated and that they were becoming more knowledgeable about what they were eating," recalls Mark Weiss, Fresher Cooker president. "But at the same time, I also recognized that there was a growing segment of the population that didn't want all the cholesterol and grease in their foods."

He responded by opening a full-service restaurant in Louisville, KY, specializing in lighter, healthier fare called the Farmer's Garden. "But I decided it just wasn't the right vehicle for us; it was a management nightmare." So he switched to a fast-service concept.

As with franchise operations, quality and consistency are key. But at the Fresher Cooker ingredients are used in multiple ways, which Weiss maintains improves efficiency, reduces waste and allows for greater menu expansion. Fresh pasta, for example, may be served hot, with an Italian meat sauce, or cold, with fresh vegetables and a dressing for a salad. Spiced ground beef may be used in a taco salad, as a topping for a baked spud or as an embellishment for a platter of nachos.

"One of the amazing things about our operation is that no one item dominates the others; they all do well," says Weiss.

Pasta, cafeteria-style . . .

Another fast-food operation which succeeds in satisfying the discriminating grazing palate is Mama Mia! Pasta, with two operations based in Chicago, IL, and plans in the works for franchising.

Grazers" place top priority on convenience, quality and variety. They are a finicky, fast-paced, sophisticated market.

"We're set up to be a grazer's heaven," said owner Dorothy DeCarlo. She describes the operation as an "adult fast-food restaurant," which caters primarily to an upscale, white-collar clientele that wants "good food, ambience and a good glass of wine."

Service is pseudo-cafeteria style, with the trays taken from one station to the next by employees, rather than by the customers. At the first station, the customers may select from a variety of homemade pastas, which are made fresh daily in full view of the customers. Patrons then pick from an array of toppings: marinara, meat, zucchini and tomato, Alfredo or clam sauces. (Customers are encouraged to try a spoonful of sauce before ordering, if they wish.)

Also available are pasta and green salads, Italian sandwiches, homemade soups and a variety of desserts, such as amaretto cheesecake and imported Italian ice cream. At the beverage station, there are imported beers and wines sold by the glass or bottle, imported mineral water, espresso and cappuccino.

"Everything is sold a la carte, so that people can mix and match their own meals," she notes. "And most of our items come in small and large sizes. The option is entirely left up to the customer."

Alternatives in full-service restaurants . . .

Even a full-service restaurant with a more limited selection can attract grazers, without adding an extra page or two to their menus. Sushi and seafood bars are a couple of viable alternatives.

Although Mother Shucker's in Addison, TX, specializes in full-course, New Orleans-style seafood dinners, they've also lured many a grazer with the freshly-shucked oysters and boiled shrimp offered at the bar.

"Ours is different from most oyster bars in that customers go up to the counter, place their orders for the oysters or shrimp and then take seats in the dining room," says Shirley Gardner, president. "After the oyster shucker at the bar shucks the oysters, the waitress takes them to the table—usually within five minutes."

Either the oysters or shrimp may be ordered by the dozen or half-dozen—as an appetizer or as a main course. "It isn't unusual for customers to make a meal on just the oysters or shrimp and maybe order a cup of seafood gumbo on the side," she says. "In this area, oysters are a very hot item now—especially with dieters—because they're so low in calories."

Although reservations are usually required to get a seat for dinner at Sammy's, one of Cleveland's most popular restaurants which specializes in upscale, haute cuisine, the restaurant is well-equipped as well to meet the needs of customers who drop in on impulse. For example, anyone can take advantage of the seafood bar, anytime. Items are sold by the ounce at market prices and usually include shrimp, crab legs, mussels, fresh salmon, stone crab and lobster claws, clams and golden oysters.

From the bar, the customer may order anything from the appetizer menu, such as assorted terrines and fruit and cheese platters. Desserts are also available.

Most recently, Sammy's has begun offering yet another alternative to the gourmet-on-the-go: its Tenth Street Market, located underneath the restaurant. The market features takeout meals as well as fresh produce and a number of hard-to-find ingredients, such as arugula, yellow bell peppers, imported baby zucchini, goat cheese and fresh herbs. Entrees include individual portions of rack of lamb in puff pastry, pork chops stuffed with shrimp or lobster and chicken legs stuffed with hazelnuts and vegetables. These items are easily finished at home, and the employee behind the counter gives instructions to customers. Most items require no more than sauteing in a skillet or popping in the oven for half an hour or less.

Side dishes, pasta salads, desserts and fine chocolates are also available at the market, as are a wide selection of imported mineral waters and sodas.

"What we offer customers at the market is quality grazing," explains Parker Bosley, head chef. "We want to give them a chance to see, in their raw state, some of the ingredients we use in the dishes upstairs." Adjoining the marketplace is a small cafe offering a limited, but highly imaginative, selection of soups, salads and entrees, such as fresh vegetable and goat cheese pizzas, that "allow us to showcase our market produce in their finished form."

He adds that "what we want to be able to do is meet all of our customers' needs and educate them as well." ❑

1984 in review

by Elyse Cuttler

Take a good idea and give it a little something extra. That's adaptation—the most distinguishing characteristic of the 1984 foodservice marketplace. Baked potatoes, hamburgers, fish, pizza, pasta and even vegetables have shed their familiar look for a new style that meets the interests of the more sophisticated, experimental and nutritious conscious consumer of the 1980s.

Nutrition—touching every segment . . .

"Light and lean," "low sodium/cholesterol," and "well-balanced" are phrases that have found their way into every segment of the industry. In 1984, institutional feeders began implementing aggressive programs of their own.

Canteen Corporation, ARA Services, Interstate United, Greyhound Food Management, Service Systems Corporation and Corporate Food Services now provide employees with innovative menu selections and educational tips on how to stay in shape and maintain a well-balanced diet.

Fast service operations, too, have realized that nutrition is here to stay. Some have added items to their menu, such as the Roy Rogers chain, which is now selling baked potatoes with several different toppings and has added 10 new vegetable and nut items to its salad bar.

Other chains are quickly building their reputations around lighter items.

Even desserts can be put back into the diet plan with the introduction of such items as tofutti, a frozen dessert similar in texture to ice cream but made with tofu (bean curd), which is nondairy and cholesterol free.

Sushi bars from coast to coast . . .

As part of the nutrition trend, but with a distinct momentum of its own, is the growing popularity of fish and seafood. Over the last few years patrons have been more willing to try different species and methods of preparation. Now they are not afraid to eat fish raw. Americans can't seem to get enough of sushi—the Japanese dish of raw fish and rice. Sushi bars are visible throughout the country, appearing in upscale establishments as well as fast service operations.

Ethnic market mushrooms . . .

Ethnic food establishments are digging deeper into their country's repertoire. Mexican foodservice establishments are introducing items such as pollo de mole (chicken with chocolate and cinnamon sauce), whole red snapper stuffed with crabmeat and vegetables, and veal with mushrooms and scallions in a mescal tequila sauce.

Oriental concepts, too, have been transformed due to Oriental chefs being schooled in classic French traditions. Customers now have the opportunity to sample dishes such as tempura squid and halibut rolled around Japanese pickles.

U.S. foodservice has gone global as many establishments expand their concepts beyond American borders. Some operators are just breaking new ground on the international frontier; others are expanding. In countries with strict dietary laws, substitutions are commonplace. Pork, for example, is not allowed in Bahrain, so Subway Restaurants has substituted turkey for pork.

New dressings for old favorites . . .

It seems that old favorites can't be left alone either. Hamburgers have found new helpers. Imaginative toppings range from avocado and jalapeno peppers to zucchini, cheese and mushroom sauce.

Pizza, long a staple of the baby boom generation, also has gone gourmet. Customers are no longer content to eat pizza with just tomato sauce and cheese; toppings now include duck sauce, lamb sausage, steak, eggplant, mussels, goat cheese and crabmeat.

Pasta, too, has been dressed up with vegetables (primavera) stuffed with lobster and sauced with combinations that range from olives to raisins.

Takeout takes off . . .

Takeout has taken a new meaning with grazing, a term used to describe the way many customers are now eating their meals. (See article in this issue.) Grazing refers to people who eat progressive meals: an appetizer at one restaurant, an entree at another or, alternatively, patrons who concentrate on appetizers and desserts, prefering to skip the entreés.

Beverages—spirited but non-alcoholic . . .

In response to the concern for drunk-driving, dram shop legislation, pressure from special interest groups and stricter enforcement of driving while intoxicated (DWI) laws, many restaurateurs have developed alcohol awareness programs and reevaluated their alcoholic beverages promotions (See October ***NRA NEWS***).

Operators have scaled down happy hour promotions and two-for-one service and instead have opted to expand appetizer menus and experiment with lite beer, wine coolers and other non-alcoholic beverages, such as fruit juice-based drinks.

Small vegies no small trend . . .

An addition to American regional cookery, which continues to be popular, is the proliferation of fast service homestyle cooking chains—a throwback to the days when a home-cooked meal meant good country cooking. These establishments highlight such items as mild or spicy chicken, country-fried steak and gravy, and made-from-scratch buttermilk biscuits.

To compete with this homestyle concept, many other fast service chains are introducing made-on-premise items, such as biscuits.

For those who like a visually creative meal, the introduction of mini-vegetables has caused quite a stir. The U.S. Culinary Team prominently featured these vegetables in their recipes when they competed in the International Culinary Competition in Frankfurt, Germany, this fall.

Grown in California, Florida and Hawaii, the crop size of these miniature vegetables, including carrots, squash, broccoli and eggplant, has doubled from last year. ☐

Foodservice Industry FIRES UP For 5th straight year of growth

The 1985 NRA forecast: foodservice sales to equal $178 billion

Highlights

NRA's 1985 industry forecast predicts a fifth consecutive year of real sales growth. Menu prices are expected to rise at a moderate pace similar to the past two years.

Foodservice industry sales are projected to reach $177.9 billion in 1985—an increase of 8.2 percent over 1984.

Real sales, adjusted for inflation, should advance 3.2 percent—somewhat lower than the 4.2 percent and 3.8 percent gains of 1984 and 1983, respectively.

Performance will vary by industry segment. Real sales for the ***Commercial Feeding Group*** are forecast to rise 3.4 percent, while the ***Institutional Feeding Group*** should record a lower 1.3 percent gain.

Airline contract feeders and ***airlines*** and ***railroads providing their own foodservice*** are projected to report the largest real sales growth in the industry in 1985—5.9 percent and 5.3 percent, respectively.

Fast food restaurants will continue to post impressive real sales gains in 1985—up a healthy 4.7 percent.

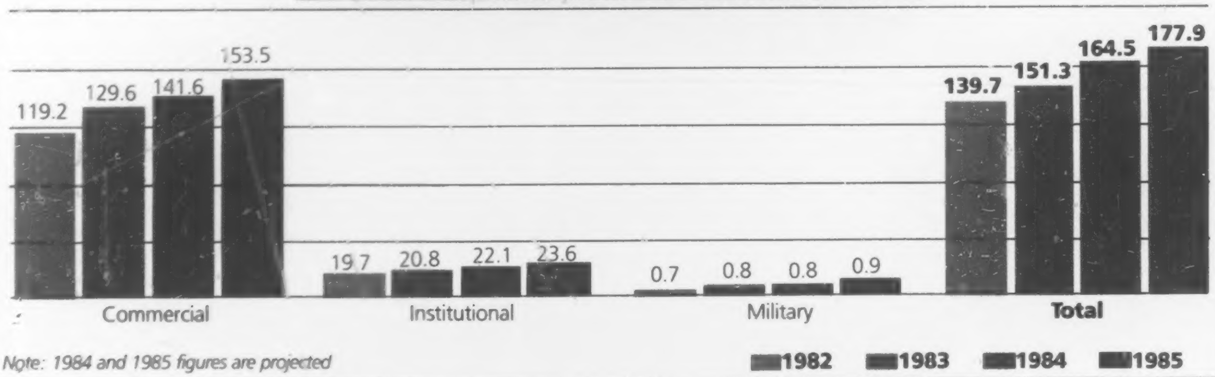
Eating places, which account for more than 60 percent of total industry sales, are expected to report sales of $112.3 billion in 1985—an 8.6 percent increase over 1984.

Eating places will post strong real sales growth of 3.7 percent in 1985, the result of an expanding economy, rising real incomes and moderate inflation.

Menu prices will advance a modest 4.9 percent in 1985 due to slightly higher food and labor costs.

The information contained in this report was prepared in consultation with the research firm Malcolm M. Knapp, Inc.

Foodservice industry sales, 1982–1985
(billions of dollars)



Note: 1984 and 1985 figures are projected

Introduction

The foodservice industry is fired up for its fifth consecutive year of growth, according to *the National Restaurant Association's (NRA) 1985 Forecast.* Industry sales are expected to reach $178 billion in 1985—a substantial 8.2 percent increase. Real sales are projected to advance 3.2 percent—the fifth consecutive year of real sales gains.

The foodservice industry is made up of a diverse number of segments, each affected by a variety of volatile elements. To give readers a comprehensive view of the industry's expected performance in 1985, this report is divided into sections:

Part I. Major factors affecting industry growth
—Changing consumer demographics
—Marketplace challenges
—The economy—effects of 1984 and projections for 1985
—The legislative environment
Part II. The foodservice industry in 1985
—Menu prices
—Projections for specific industry segments—eating places, lodging places, educational feeding, employee feeding, transportation feeding, health care feeding, recreational feeding, retail hosts and military feeding
Part III. Regional and state-by-state projections
Part IV. Projected industry purchases
Part V. Updated 1984 sales figures
Part VI. Gallup survey on customer satisfaction with frequency of dining out

Part 1

Major factors affecting industry growth

Adapting to today's consumers . . .

Changing consumer demographics and lifestyles directly affect customers' dining out patterns. Some of the major demographic trends that will affect the foodservice industry during the rest of the decade include the maturing baby boomers, the rising number of senior citizens, more singles and smaller households, increasing numbers of working women and the baby boomlet. (See the October issue of ***NRA NEWS*** for a complete summary of demographic projections and the November issue for a spotlight on the baby boomlet.)

Here is a look at several of the trends occurring in today's foodservice market and some of the ways restaurateurs are reacting to ever-changing consumer preferences.

Convenience

Convenience has become a top priority for many Americans. Many consumers don't want to spend the time shopping for food and preparing it at home. In particular, the rising number of single households and working women (an increasing number with pre-school age children) has contributed to the importance of convenience in the restaurant industry.

Restaurateurs are reacting by offering fast home delivery service, expanded hours (including late night drive thru windows) and a variety of take out options. Customers' increasing sophistication has resulted in an expanding gourmet take out market that includes full meals and individual signature items to go.

Operators, faced with growing competition from both convenience stores and grocery store delis, are offering creative, top quality items to capture more of the expanding convenience market.

Discriminating customers

Customers are becoming more quality conscious and are demanding more sophisticated entrees. A better educated public and the aging of the baby boom generation are the major factors fueling consumers' more discriminating tastes. For instance, baby boomers have grown up with eating out frequently, have more money to spend and expect a high quality and interesting dining out experience.

Restaurateurs are responding by upscaling concepts, decor and menu items. Prime examples include entrees like gourmet burgers; unusual desserts; "build your own" options, which allow patrons to customize their entrees; and exhibition cooking.

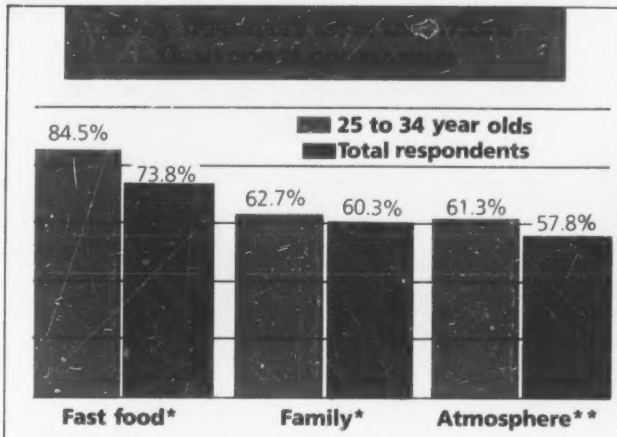
Diversity

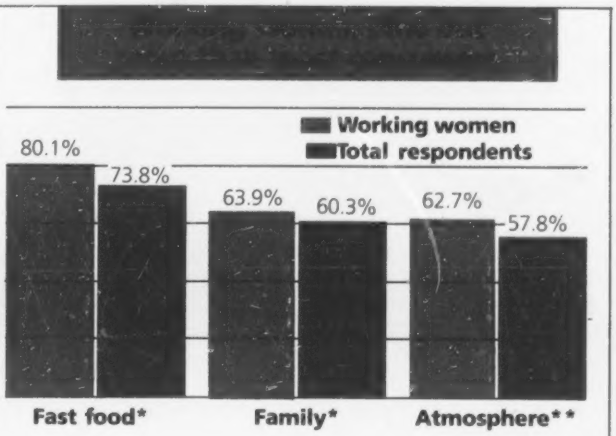
Today's discriminating customer also wants diversity and variety when dining away from home. The increasing demand for different kinds of international foods is an example of this trend. Part of this movement is due to the growing number of immigrants from a variety of places. Consequently, more Americans are being exposed to less commonplace ethnic foods, such as Ethiopian, Indian and Greek items. At the same time, traditional ethnic favorites are becoming "Americanized." For instance, Oriental specialties, nachos and pasta are appearing in all kinds of restaurants. The growing number of Oriental fast food chains is another example of ethnic food becoming integrated into the mainstream of America's eating patterns.

Other new concepts and cooking methods have also sprung up to cater to Americans' demand for diversity. Home-style restaurants, mesquite grilling and American nouvelle cuisine are several examples of the industry's response to customer desire for different textures and tastes.

Grazing

Another trend reflecting customer preference for variety is "grazing." Restaurant operators are reacting to





*percent dining out in past two weeks **percent dining out in past month

Source: National Restaurant Association

their patrons' desire "to try a little of this and a little of that" by providing a variety of appetizers and small entrees.

Food courts (several small restaurants clustered together, usually in a shopping area), mini-stores (smaller units offering simpler menus) and even gourmet ice cream and cookie shops cater to grazing tendencies.

Nutrition

Public interest in nutrition is also having an effect on the foodservice industry. Several of the fastest growing demographic segments are particularly concerned with nutrition—working women, older Americans, college graduates and families with small children. Consequently, offering healthy foods will continue to be important for restaurateurs.

Restaurant operators are responding to this trend by offering special light dishes, items prepared without salt; more broiled, baked or grilled entrees and menus with calorie counts and nutritional information.

Fast food chains are springing up with menus geared entirely around lighter foods. Traditional fast food companies are also promoting low calorie entrees like salads, baked potatoes and lighter sandwiches. And in the hotel segment, several chains have developed menus featuring nutritional entrees.

Breakfast

Breakfast's growing popularity is due to consumer interest in nutrition as well as to busy lifestyles. Picking up breakfast on the way to work is becoming increasingly popular as more restaurants offer a variety of breakfast options.

Breakfast buffets, homemade biscuits, croissants and breakfast sandwiches are some of the ways restaurateurs are responding to the growing breakfast market. Business breakfasts and weekend brunches are also popular ways to attract more breakfast business.

Consumer inconsistency

Although demographic trends do affect general dining out patterns, they will never totally define the foodservice industry. Consumers will continue to eat out for a variety of reasons and choose different foods and restaurant types on different occasions. This unpredictable and sometimes contradictory dining out behavior suggests that there may be opportunities in what sometimes appear to be contrasting markets.

For instance, nutrition and eating light foods are major trends in today's market. At the same time, however, there is a definite demand for specialty breads, premium ice creams and delectable, but highly caloric, upscale desserts.

Along the same lines, more people are ordering seafood and chicken these days since beef is sometimes perceived as being a heavier entree. Yet, gourmet burgers—thick patties with a variety of toppings—are a hot item.

Consumers are interested in exotic, international foods, yet there is a movement towards simple home-style cooking. And, the basic hamburger, fries and pizza many of us grew up with will probably always be American staples.

Many Americans are enjoying more formal meal occasions, typified by the simple elegance of nouvelle cuisine. At the same time, "grazing" and the growing take out market reflect consumers' desire for casual, convenient meal options.

Overall, restaurateurs will continue to face the challenge of providing a diverse public with kaleidoscopic choices in an everchanging marketplace.

Current marketplace trends . . .

The business environment also will affect the foodservice industry during the 1980s. Economic and marketplace factors, such as technological advancements and growing competition, present ongoing challenges for restaurateurs. The following are some of the ways restaurateurs are reacting to today's marketplace.

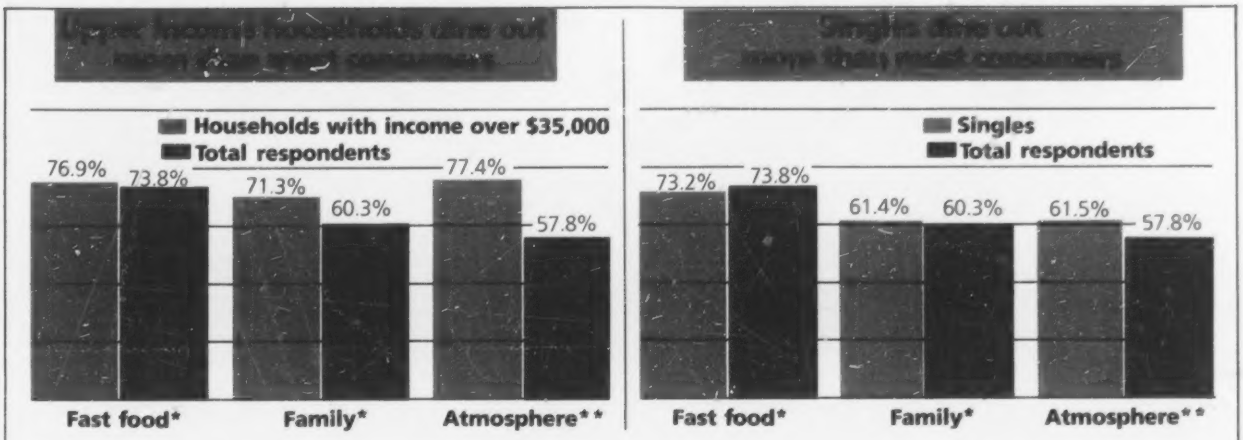
Expansion

Expansion remains a top concern for many operators. Restaurateurs are utilizing creative and non-traditional methods to expand in today's competitive and increasingly saturated market. Some of these methods include:

• *Mergers/acquisitions.* Many companies are diversifying into different markets by buying or merging with existing firms. This enables firms to branch out in different directions, which is important in today's diverse marketplace. Also, firms gain the option to convert existing sites into their own concepts rather than develop new sites—often a cost effective strategy.

• *Mini-stores.* Some firms are developing small, basic units which only provide take out service. The reasons are simple—the units are less costly to build and have lower overhead expenses. Typical sites include crowded downtown areas, food courts, shopping malls and small towns that can't support a full size unit.

• *Non-traditional sites.* Today's competitive market has made prime locations tough



*percent dining out in past two weeks **percent dining out in past month

Source: National Restaurant Association

to find. Consequently, firms are developing "non-traditional" sites, such as military bases, schools, toll road outlets, units in established retail stores and government buildings.

- *Foreign expansion.* As the U.S. market becomes saturated, companies are stepping up expansion in international markets.

Management

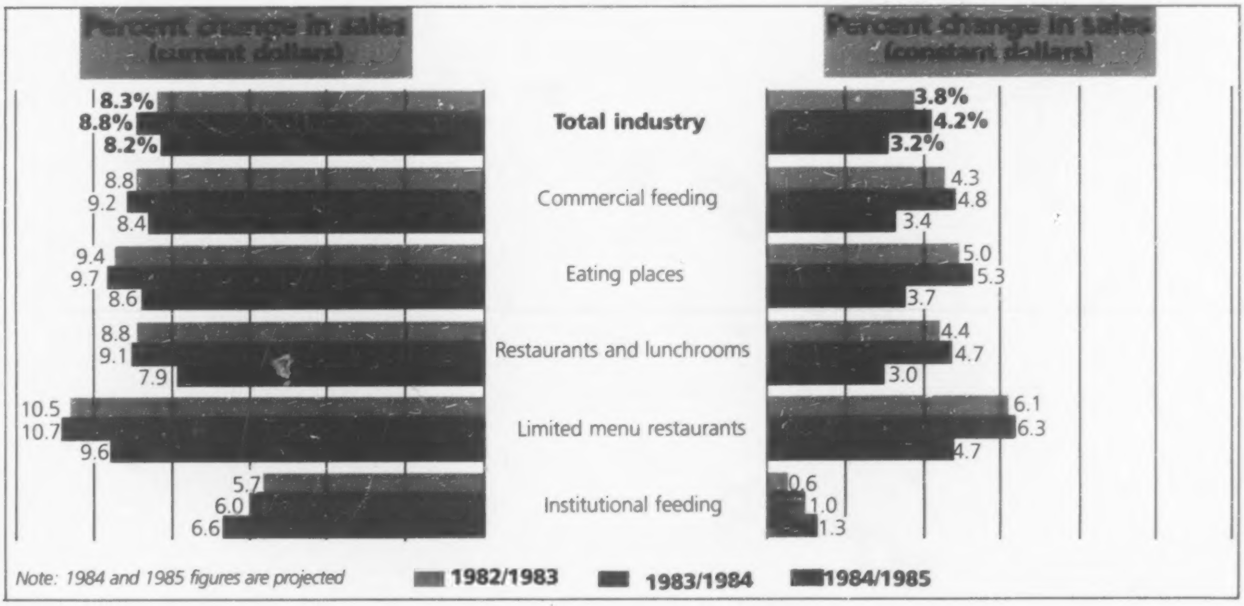
Management techniques and philosophies are becoming increasingly sophisticated. Some of the ways companies are adapting to the current marketplace include:

- *Computers.* Advances in computer technology are reshaping the industry. For instance, computers are enabling chains to decentralize operational management and increasingly centralize financial and strategic planning. New technology is helping increase overall efficiency through collecting data for food and labor cost control, scheduling employee hours for maximum productivity, tracking customer counts and check averages, and menu price analysis.
- *Employees.* Due to changing demographics and a shrinking number of teenage employees, companies are putting more emphasis on attracting and retaining workers. Incentive programs, such as tuition credit options, are one current method. Operators are also tapping other pools of workers, such as senior citizens and handicapped individuals.
- *Training.* Training methods are becoming more sophisticated. Some companies are even opening their own training centers. Many individuals are also enrolled in professional foodservice training programs. This is boosting the pool of well trained, creative managers and chefs.

Productivity

Companies also are concerned with increasing productivity in today's competitive market. Current ideas for maximizing productivity and cost efficiency include:

- *Flexible concepts.* Companies are developing easily remodeled units to allow repositioning if concepts are not successful. This gives firms greater flexibility in today's quickly changing marketplace.
- *Non-traditional sales.* To increase sales without adding substantial operating costs, restaurateurs are installing creative retail sections and offering items like gourmet take out, baked goods made



Note: 1984 and 1985 figures are projected on-premise, imported wines, novelty items or antiques and even cooking classes. Some firms have also begun marketing signature items in grocery stores.

- *Time demand pricing.* To boost traffic during slow periods, restaurateurs are offering lower prices during off peak hours (early bird and late night dinners and midweek periods).

Alcohol awareness

The drunk driving issue is also affecting the industry. Restaurateurs are responding by developing responsible promotional practices. Specific approaches include increasing server training, initiating designated driver programs and eliminating drink discounting. Operators are also putting more emphasis on appetizers during happy hours rather than on inexpensive drinks.

Advertising

Firms continue to concentrate on advertising. Today's consumer is more discriminating, and consequently many ads focus on food quality and preparation, menu diversity and specific specialties. Much of this movement is due to the maturing baby boomers—a top target market—and a better educated, more knowledgeable public.

Economic factors: 1984 and 1985 . . .

Economic factors play a continuing role in shaping the foodservice industry. Consequently, the effect of the economy's upturn during 1984 and the somewhat slower growth projected for 1985 will influence the direction and development of the foodservice industry through the 1980s.

1984 economy boosts industry sales

In 1984, the U.S. economy posted its best performance in 30 years, and the foodservice industry was a prime beneficiary of the robust economy. Gross National Product (GNP), adjusted for inflation, rose a hefty 7.0 percent in 1984, nearly twice the gain of 3.7 percent recorded in 1983. After the severe recession of 1982, which saw real GNP drop a sharp 2.1 percent, the nation was ready for a period of strong growth, and so was the restaurant industry.

Other highlights of the 1984 economy include:

- Consumers remained confident about their current situation, with the Consumer Confidence Index, as reported by the Conference Board, reaching levels not seen since 1978.
- Real disposable personal income rose sharply—up 6.5 percent versus a 3.5 percent gain in 1983 and a 0.9 percent rise in 1982.
- Inflation rose a modest 4.3 percent—up from the 3.2 percent rate in 1983 but well below the rates of 6.8 percent and 9.6 percent in 1982 and 1981, respectively. The expanding economy precipitated the slight run-up in prices.
- The unemployment rate moved down sharply—from 9.5 percent in 1983 to 7.5 percent in 1984. Laid-off workers were recalled and new jobs were created as the nation's factories increased production.

The restaurant industry also posted record breaking results in 1984. Consumers with more money to spend and more confidence in their economic well being, opted to eat out more frequently and to spend more on dining away from home. In fact, a recent Gallup poll conducted for the National Restaurant Association revealed that seven out of 10 consumers feel they are eating out as frequently as they would like, up considerably from six out of 10 when the same survey was conducted in 1983. However, the market is still not saturated, and there is still plenty of opportunity for industry growth.

Customer traffic, as reported in the *CREST Household Report,* experienced the strongest gains in the history of CREST in the first half of the year. In the winter quarter, customer counts were up 6.2 percent over the same period in 1983, and in the spring, traffic rose a hefty 7.5 percent. Summer traffic also posted a gain—up 2.4 percent—with the slower rate mirroring the national economy as a whole. Indications are that customer traffic has picked up somewhat in the fall and should be strong during the holiday season.

Other highlights of the 1984 industry performance include:

- Quick service restaurants, which include most fast food places, performed well throughout the year. Especially strong traffic gains of 5.3 percent and 7.7 percent were posted in the first two quarters.
- Midscale restaurants recorded strong traffic gains in the winter and spring, but customer counts dropped in the summer. Some consumers became a little more cautious and "traded down" to less expensive places, while others who felt good about their economic prospects opted to "trade up" to more expensive establishments.
- Upscale restaurants posted especially strong traffic gains in the spring and summer—10.3 percent and 4.6 percent, respectively.
- Ethnic restaurants in all price ranges performed well in terms of traffic and sales growth in 1984.
- Breakfast continued to post the most significant traffic gains, with customer counts up 5.1 percent in the winter, 11.9 percent in the spring and 9.6 percent in the summer over the comparable periods in 1983.
- Lunch traffic posted significant gains in 1984 due primarily to increased numbers of employed persons.
- Dinner customer counts were substantially higher than in prior years. Consumers, with more discretionary income at their disposal, treated themselves to more evening meals away from home.

Demographic trends that will affect the industry

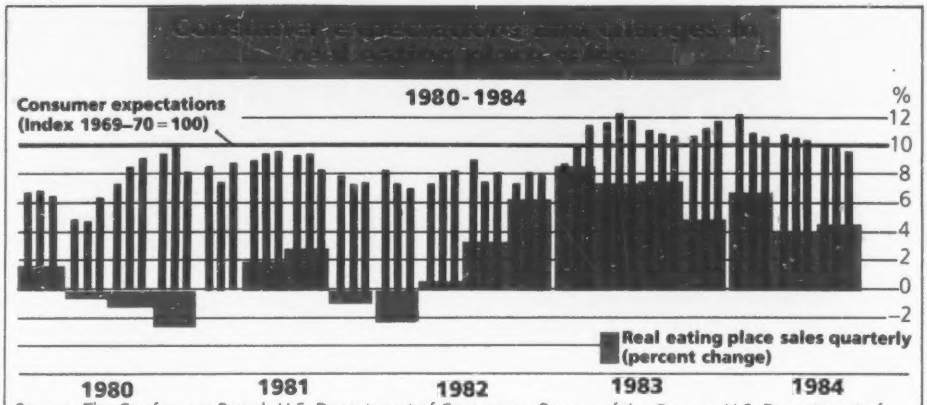
Age groups
- Aging of the baby boomers
- Rising number of senior citizens
- Declining teenage population
- Baby boomlet during the 1980s

Households
- Smaller households, more singles
- Increasing household incomes
- More working women

Education
- Better educated, discriminating public
- More college graduates

Geographic
- More people moving South and West
- People moving out of cities into smaller communities

Immigration
- More immigration
- Immigrants from an increasing variety of places moving into different parts of the country



Source: The Conference Board; U.S. Department of Commerce, Bureau of the Census; U.S. Department of Labor; Bureau of Labor Statistics; National Restaurant Association.

All this resulted in the industry's best real sales gain since 1977 and set the stage for continued real sales growth in 1985.

Moderate growth and inflation in 1985

The consensus forecast for 1985 indicates that the U.S. economy will grow at a healthy pace in 1985, although the rate of growth will be slower than in 1984. Real GNP will advance 3.5 percent in 1985 versus the 7.0 percent rate experienced in the prior year. This slowdown in economic growth is a positive event welcomed by most economists. If the economy continued to grow at the rapid pace of 1984, markedly higher inflation and high interest rates would have been likely outcomes.

Inflation, as measured by the Consumer Price Index, is expected to be slightly higher in 1985 than in 1984—5.0 percent versus 4.3 percent. Some upward pressure on food and housing prices as well as slight increases in labor costs are the reasons for the advance in retail prices. However, the rate of gain is still well below the double digit increases experienced in 1979 and 1980 and the 6.8 percent rise in the initial year of recovery from the 1982 recession.

Consumers will continue to experience gains in their real incomes in 1985. Disposable personal income, after adjustment for inflation, will be up 3.4 percent in 1985, considerably lower than the 6.5 percent advance in 1984, but approximating the 3.5 percent rise in 1983. Slightly higher inflation and higher taxes will cause slower growth in consumer incomes. Although most people will benefit from indexation of federal income taxes in 1985, higher Social Security taxes will more than offset the savings.

A bright spot for the restaurant industry: Consumers will not be increasing their spending as much on big ticket items, such as cars, appliances and houses, in the coming year because much of their pent-up demand was satisfied in 1984 and 1983. As a result, spending for non-durable goods and services like restaurant meals should be relatively strong.

Unemployment will decline slightly in 1985 as the economic recovery from the 1982 recession enters a period of more moderate growth. Industrial production will continue to rise but at a slower pace—4.8 percent in 1985 versus 11.4 percent in 1984. As a result, the ability of the manufacturing sector to create new jobs will be less than in the prior year. Housing starts will equal about 1.6 million units compared with 1.8 million in 1984. And, new car sales (both domestic and imported) are predicted to reach 10.5 million, down only slightly from 10.6 million in 1984.

The negative factors facing the U.S. economy in 1985 are high interest rates, budget deficits and the trade deficit. Many economists and politicians warn that these issues need to be addressed if the U.S. economy is to continue to grow at a healthy pace during the remainder of the decade. This warning comes in spite of the fact that the U.S. economy grew at its strongest rate in more than 30 years in 1984, a year when all three of these negative factors were present.

Restaurateurs may want to watch the Conference Board's Consumer Expectations Index as a means of predicting the health of the industry over the next year. This index, which tracks consumer expectations for the next six months, can be used as a leading indicator. In the past few years, the series has been a good predictor of swings in real sales growth. This is especially true for 1983 and 1984, as shown in the accompanying chart. The Consumer Expectations Index, although it has recently been moving downward, remains at a relatively high level. This would appear to indicate that real sales for restaurants will be more moderate in early 1985 than in 1984, but positive real gains will be reported.

All in all, the foodservice industry will be operating in a healthy economic environment in 1985, and moderate gains in real sales and traffic are predicted.

Complex legislative and regulatory environment in 1985 . . .

The foodservice industry in 1985 will be operating in a complex legal and regulatory environment. The industry must comply with laws and regulations at the federal, state and local levels. These laws and regulations mandate how much restaurateurs must pay their employees, which employees can serve alcoholic beverages, what hours the operation should be open and how to comply with sanitation and safety standards.

The issues facing the foodservice industry in 1985 are numerous.

At the federal level these include:

- Labor issues, such as minimum wage and tip credit
- Tax issues, such as the deductability of the business meal, taxing fringe benefits and collection of federal taxes on tip income
- Use of additives and preservatives, such as sulfiting agents and aspartame (Nutrasweet) and
- Immigration reform (employment of aliens).

At the state and local level the issues include:

- Labor issues, such as minimum wage and tip credit
- Tax issues, such as the privilege tax (also known as a meals tax), collection of state and local taxes on tip income, sales tax on food sold at restaurants
- Liquor issues, such as third-party liability, minimum drinking age and hours of operation
- Smoking/non-smoking regulations and laws
- Truth-in-menu issues
- Use of additives and preservatives, such as sulfiting agents and aspartame (Nutrasweet)
- Sanitation issues.

Part II

The foodservice industry in 1985

Introduction

Part I laid the groundwork for the foodservice operator's environment in 1985. Now the question remains, "How will the foodservice industry perform in 1985?"

The industry will benefit from the relatively optimistic outlook. The National Restaurant Association projects foodservice industry sales will total $178 billion in 1985—a gain of 8.2 percent over 1984's $164.5 billion. Sales, unadjusted for inflation, should increase $13.4 billion in 1985, similar to the $13.2 billion gain posted in 1984.

Real sales, adjusted for inflation, continue to advance but at a slower pace than during the two previous years. The industry will record real sales growth for the fifth consecutive year, outperforming the industry's boom years of 1975 through 1978. In 1985, real sales are forecast to rise 3.2 percent, following gains of 4.2 percent in 1984 and 3.8 percent in 1983. Sales, stated in inflation adjusted dollars, will increase $5.2 billion.

Food and drink sales in the Commercial Feeding Group, which accounts for 86 percent of total foodservice industry sales, should reach $153.5 billion in 1985—up 8.4 percent from the prior year. This is down somewhat from the 9.2 percent gain posted for 1984. Real sales in the commercial sector will advance, but at a slower rate than in the two prior years—up 3.4 percent in 1985 versus 4.8 percent in 1984 and 4.3 percent in 1983.

The Institutional Feeding Group should report real sales growth of 1.3 percent in 1985—up slightly from 1.0 percent in 1984 and 0.6 percent in 1983. Total sales for this sector are expected to reach $23.6 billion versus $22.1 billion in 1984.

Food and drink sales in the Military Feeding Group are forecast to post strong real sales growth in 1985, rising 3.4 percent. This approximates the 3.7 percent gain in 1984.

Menu prices to rise 4.9 percent . . .

Menu prices are expected to rise 4.9 percent in 1985, slightly above 1984's 4.4 percent gain. Moderate advances in wholesale food costs, inflation, labor and overhead costs will help limit the overall increase in menu prices.

Wholesale food costs are projected to increase 5.0 percent during 1985, approximating 1984's gain. Somewhat steeper prices are expected for beef, pork and citrus products during the first half of the year as lower supplies may cause prices to rise. By the second half of the year, however, prices for these commodities should moderate. Large supplies of poultry and eggs should help maintain low prices for these particular commodities throughout 1985.

Labor costs are expected to rise modestly in 1985—4.0 percent. Moderate inflation and ample labor supplies should help keep payroll costs down. Other operating costs, including energy, are projected to advance at the same rate as overall inflation—5.0 percent.

These basic cost increases, along with operators' concern for improving profit margins, will contribute to the increased menu prices. If less effort is made to boost margins, menu price increases may be even more moderate in 1985.

Overall, the somewhat stronger increase in menu prices during 1985 together with more moderate economic growth will contribute to slightly lower real sales growth for the industry in 1985 compared with 1984.

Eating place real sales growth up 3.7 percent . . .

Growth in eating place sales, which account for almost two-thirds of total industry sales, will mirror the overall economy in 1985 and experience significant gains.

Based on general economic trends, eating place sales are expected to increase 8.6 percent in 1985 and total $112.3 billion. This growth rate is below the 12.1 percent annual growth rate registered during the 1970s and slightly below the 9.2 percent annualized rate of increase recorded between 1982 and 1985.

Real sales at eating places, adjusting for menu price inflation, should rise 3.7 percent in 1985. Although this is below 1984's 5.3 percent gain and 1983's 5.0 percent

Eating place sales projected to 1985
Estimated food and drink sales ($000)

	1982	1984	1985	1984–1985 Percent change	1984–1985 Percent real growth change	1982–1985 Compound annual growth rate
Restaurants, lunchrooms	$ 46,288,290	$ 54,928,320	$ 59,251,544	7.9%	3.0%	8.6%
Limited menu restaurants	35,141,860	42,978,986	47,104,969	9.6	4.7	10.3
Commercial cafeterias	2,412,690	2,806,276	3,039,197	8.3	3.4	8.0
Social caterers	814,268	881,433	927,268	5.2	0.3	4.4
Ice cream, frozen custard stands	1,524,775	1,841,611	2,009,198	9.1	4.2	9.6
Total eating places	**$ 86,181,883**	**$103,436,626**	**$112,332,176**	**8.6%**	**3.7%**	**9.2%**

advance, it is higher than the 2.5 percent increase in 1982 and the slight 1.3 percent gain during 1981. Eating places are expected to post stronger real sales growth than the total industry in 1985—3.7 percent versus a smaller 3.2 percent.

During 1985, consumers will probably continue to react strongly to short-term economic news. As a result, monthly eating place sales may fluctuate widely—just as they have in recent years.

One of the premises of the *NRA 1985 Forecast* is that the gain in real eating place sales will slightly outpace the expected growth in real disposable income—3.4 percent. This is a positive sign for the eating place sector and indicates that consumers will continue to dine out frequently and also trade up to higher priced restaurants as their confidence in the economy and in their own personal situations continues. In addition, a drop in the rate of spending for durable goods will benefit spending for restaurant meals.

Fast food continues to post strong growth . . .

Limited menu restaurants continue to steal the show in the eating place segment and are expected to record the strongest growth during 1985. Limited menu establishments, which are primarily fast food restaurants, should experience sales of $47.1 billion—a substantial 9.6 percent gain. Real sales in this category are projected to rise 4.7 percent, significantly above the 3.2 percent average expected for the total industry and the 3.7 percent for all eating places.

Some of the factors that will affect this important sector in 1985 include:

- *Expansion*. Firms are continuing to build new units, but some are developing non-traditional sites such as military bases, highway stops or mini-stores (smaller, simpler units). Some firms are also merging or acquiring other companies to expand into different concepts as well as different geographic areas.
- *Convenience*. Ongoing consumer desire for convenience will continue to bolster this segment. Units will face increased competition, however, from convenience stores as well as the growing number of takeout options, such as grocery store delis and gourmet takeout.
- *Advertising*. Firms will continue to advertise heavily in the electronic media to differentiate concepts and products.
- *Upscaling*. Companies are upscaling concepts, decor and menu items to capture

Lodging place sales projected to 1985
Estimated food and drink sales ($000)

	1982	1984	1985	1984–1985 Percent change	1984–1985 Percent real growth change	1982–1985 Compound annual growth rate
Hotel restaurants	$ 5,944,444	$ 7,010,800	$ 7,627,750	8.8%	3.9%	8.7%
Motor hotel restaurants	1,032,536	1,215,528	1,317,632	8.4	3.5	8.5
Motel restaurants	1,655,546	1,952,538	2,112,646	8.2	3.3	8.5
Total lodging places	**$ 8,632,526**	**$10,178,866**	**$11,058,028**	**8.6%**	**3.7%**	**8.6%**

Employee feeding place sales projected to 1985
Estimated food and drink sales ($000)

	1982	1984	1985	1984–1985 Percent change	1984–1985 Percent real growth change	1982–1985 Compound annual growth rate
Food contractors						
● Manufacturing & industrial plants	$2,258,294	$2,589,545	$2,781,171	7.4%	2.5%	7.2%
● Commercial & office buildings	709,943	818,101	885,185	8.2	3.3	7.6
Institutional employee feeding*	1,733,223	1,956,521	2,091,521	6.9	2.0	6.5
Total employee feeding	**$4,701,460**	**$5,364,167**	**$5,757,877**	**7.3%**	**2.4%**	**7.0%**

*Includes sales for industrial and commercial organizations, sea-going ships and inland waterway vessels.

Educational feeding place sales projected to 1985
Estimated food and drink sales ($000)

	1982	1984	1985	1984–1985 Percent change	1984–1985 Percent real growth change	1982–1985 Compound annual growth rate
Colleges & universities						
● Contractors	$ 1,407,073	$ 1,686,946	$ 1,826,962	8.3%	0.3%	9.1%
● Institutional	2,783,452	3,303,679	3,558,062	7.7	−0.3	8.5
Subtotal	**$ 4,190,525**	**$ 4,990,625**	**$ 5,385,024**	**7.9%**	**−0.1%**	**8.7%**
Primary & secondary schools						
● Contractors	719,533	743,361	783,502	5.4	0.5	2.9
● Institutional	2,464,112	2,526,099	2,637,247	4.4	−0.5	2.3
Subtotal	**$ 3,183,645**	**$ 3,269,460**	**$3,420,749**	**4.6%**	**−0.3%**	**2.4%**
Total educational feeding	**$ 7,374,170**	**$ 8,260,085**	**$8,805,773**	**6.6%**	**−0.2%**	**6.1%**

the increasingly sophisticated consumer. Gourmet burgers are a prime example of the upscaling trend. Fueling this movement are the baby boomers who grew up with fast food and now often want a little more than a basic hamburger and french fries, but still enjoy the convenience and reasonable prices fast food restaurants offer.

Restaurant sales to advance 7.9 percent...

Restaurants and lunchrooms, the largest eating place category, should experience a solid year of growth during 1985. Sales are expected to reach $59.2 billion—a 7.9 percent gain versus 1984's advance of 9.1 percent. In real terms, restaurant sales should grow 3.0 percent in 1985, compared with a considerably stronger advance of 4.7 percent one year earlier.

Transportation feeding place sales projected to 1985
Estimated food and drink sales ($000)

	1982	1984	1985	1984–1985 Percent change	1984–1985 Percent real growth change	1982–1985 Compound annual growth rate
In-transit feeding—commercial airlines	$ 548,688	$ 666,725	$ 738,731	10.8%	5.9%	10.4%
Transportation*	671,864	815,012	898,143	10.2	5.3	10.2
Total transportation feeding	**$1,220,552**	**$1,481,737**	**$1,636,874**	**10.5%**	**5.6%**	**10.3%**

*Includes sales on airlines, passenger/cargo liners and railroads.

Recreational feeding place sales projected to 1985
Estimated food and drink sales ($000)

	1982	1984	1985	1984–1985 Percent change	1984–1985 Percent real growth change	1982–1985 Compound annual growth rate
Recreation & sports centers						
● Contractors	$1,075,677	$1,247,705	$1,347,521	8.0%	3.1%	7.8%
● Non contractors[1]	1,659,459	1,898,139	2,040,499	7.5	2.6	7.1
Subtotal	**$2,735,136**	**$3,145,844**	**$3,388,020**	**7.7%**	**2.8%**	**7.4%**
Clubs,[2] sporting and recreational camps	1,390,580	1,615,970	1,745,248	8.0	3.1	7.9
Total recreational feeding	**$4,125,716**	**$4,761,814**	**$5,133,268**	**7.8%**	**2.9%**	**7.6%**

[1] Includes sales at drive-in movies, bowling lanes and recreation and sports centers.
[2] A proportion of food and beverage sales in clubs is business-related.

Health care feeding place sales projected to 1985
Estimated food and drink sales ($000)

	1982	1984	1985	1984–1985 Percent change	1984–1985 Percent real growth change	1982–1985 Compound annual growth rate
Contractors in hospitals & nursing homes	$ 989,038	$ 1,193,455	$ 1,311,607	9.9%	5.0%	9.9%
Hospitals	7,641,436	8,505,041	9,049,363	6.4	1.5	5.8
Nursing homes	2,704,629	3,024,489	3,224,105	6.6	1.7	6.0
Total health care feeding	**$11,335,103**	**$12,722,985**	**$13,585,075**	**6.8%**	**1.9%**	**6.2%**

Factors which will affect sales in the restaurant category include:

- *Economic growth.* Continued economic gains, such as lower unemployment, rising real incomes and moderate inflation will encourage consumers to trade up and dine out more often.
- *Increased travel.* The positive outlook for travel, both business and vacation, will help boost sales in this category. On the other hand, the number of foreign visitors may drop further if the dollar's strength continues to decline.
- *Time demand pricing.* Restaurants may utilize more time demand pricing (two sets of price points—a high one for peak demand situations, such as Friday or Saturday nights, and a low one for early bird dinners and slower days) to increase visit frequency and sales.
- *Improved management techniques.* Increased attention to managerial skills, more usage of computers and greater numbers of professionally trained managers, will help boost overall efficiency and profit margins.

Sales up at cafeterias, social caterers and ice cream units . . .

Commercial cafeterias are expected to experience substantial growth in 1985 with sales rising 8.3 percent to $3.0 billion. Real sales are projected to increase 3.4 percent. Many firms have upgraded facilities and added new units, and this has contributed to the positive outlook. Also adding to the optimistic long term picture is the fact that cafeterias offer a variety of entrees at a good price/value that appeals to many Americans.

Ice cream and frozen custard stands should continue to post the second best performance in the eating place group. Sales are expected to advance 9.1 percent and reach $2.0 billion. Real sales are projected to rise 4.2 percent. Consumers' ongoing interest in gourmet ice cream has helped boost sales. Also contributing to sales is the continued unit expansion in this segment—due in part to takeovers by large corporations.

Social caterers are expected to post sales of $927 million in 1985—a 5.2 percent gain over the prior year. This rate of growth is slightly above the 4.4 percent compound annual rate for the period 1982 through 1985. Real sales are projected to increase a slight 0.3 percent. This category does not include restaurant and hotel catering sales which continue to capture more of the overall catering business.

Popular menu trends

Ethnic foods
- upscale Mexican
- Oriental fast food
- pasta
- nachos
- fajitas
- sushi

Upscale
- gourmet burgers
- croissants
- unique pizza toppings
- extravagant desserts
- premium ice cream and cookies
- gourmet take out

Variety
- baked potatoes
- homestyle cooking
- nouvelle American cuisine
- mesquite grilling
- more appetizers
- "build your own" options
- exhibition cooking
- breakfast buffets

Nutrition
- expanded salad bars
- light fast food
- seafood
- chicken
- calorie and nutrition information
- broiling, grilling and baking
- whole grain breads

Lodging place sales to rise 8.6 percent . . .

Food and drink sales at *lodging places* are predicted to advance 8.6 percent in 1985 and total $11.0 billion. Real sales, adjusted for inflation, are projected to rise 3.7 percent. An increase in the number of conventions and business meetings, more new construction and favorable tax aspects for investing in hotels will all contribute to the strong sales gain in the lodging segment.

Hotel restaurants, the largest component of the lodging place segment, are expected to experience the most rapid growth in this category—8.8 percent in nominal sales and 3.9 percent in real sales. Overall hotel restaurant sales will reach $7.6 billion and account for almost 69 percent of total lodging place sales.

Motor hotel restaurants will post the second strongest sales gain in the lodging category—8.4 percent. Real sales are expected to increase 3.5 percent, and total sales should reach $1.3 billion.

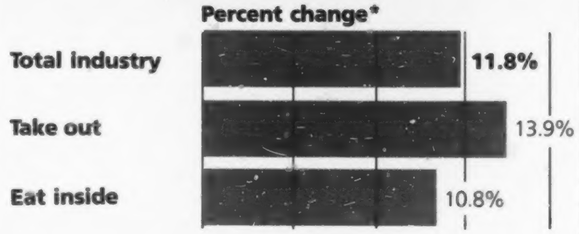
Sales at *motel restaurants* should total $2.1 billion in 1985—an 8.2 percent nominal gain and a 3.3 percent increase in real dollars.

Sales for employee feeding projected to total $5.8 billion . . .

Food and drink sales for the employee feeding category are projected to reach $5.8 billion in 1985—an advance of 7.3 percent over the prior year. In real dollars, sales for this segment are expected to rise 2.4 percent.

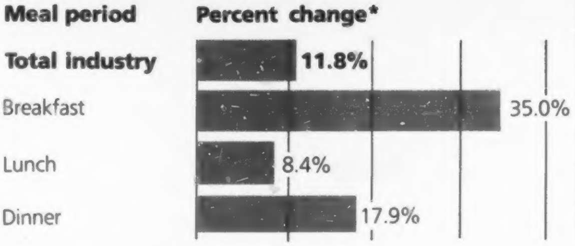
Food contractor sales at *commercial and office buildings* should record the strongest advance in this sector—8.2 percent, with real sales forecast to increase 3.3 percent. White collar employment will continue to

Take-out vs. eat-in traffic growth



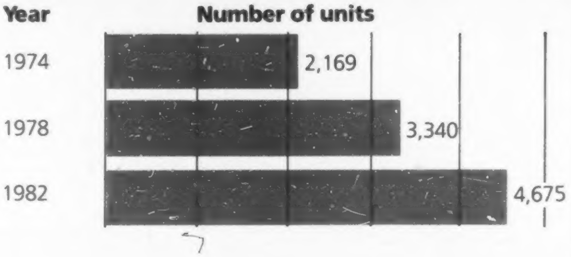
*Percent change between year ending August 1980 and August 1984
Source: CREST Family Report

Breakfast traffic outperforms other meal periods



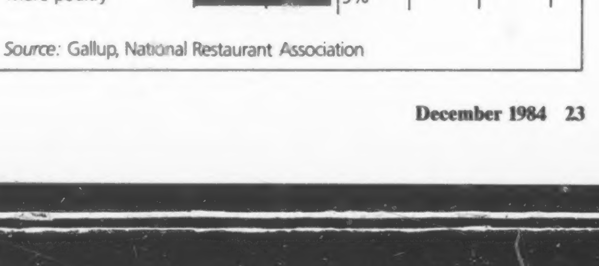
*Percent change between year ending August 1980 and August 1984.
Source: CREST Family Report

Number of international franchise units grows steadily



Source: U.S. Department of Commerce

Top 10 nutritional changes consumers have made when dining out



Source: Gallup, National Restaurant Association

The Foodservice Industry— Food and Drink Sales Projected to 1985

	1982 Estimated F&D sales ($000)	1984 Projected F&D sales ($000)	1985 Projected F&D sales ($000)	1984–1985 Percent change	1984–1985 Percent real growth change	1982–1985 Compound annual growth rate
GROUP I—Commercial Feeding[1]						
Eating places						
Restaurants, lunchrooms	$ 46,288,290	$ 54,928,320	$ 59,251,544	7.9%	3.0%	8.6%
Limited menu restaurants, refreshment places	35,141,860	42,978,986	47,104,969	9.6	4.7	10.3
Commercial cafeterias	2,412,690	2,806,276	3,039,197	8.3	3.4	8.0
Social caterers	814,268	881,433	927,268	5.2	0.3	4.4
Ice cream, frozen custard stands	1,524,775	1,841,611	2,009,198	9.1	4.2	9.6
Total eating places	$ 86,181,883	$103,436,626	$112,332,176	8.6%	3.7%	9.2%
Bars/taverns	7,902,348	8,903,891	9,455,932	6.2	1.3	6.2
Total eating & drinking places	$ 94,084,231[2]	$112,340,517	$121,788,108	8.4%	3.5%	9.0%
Food contractors						
Manufacturing & industrial plants	$ 2,258,294	$ 2,589,545	$ 2,781,171	7.4%	2.5%	7.2%
Commercial & office buildings	709,943	818,101	885,185	8.2	3.3	7.6
Hospitals & nursing homes	989,038	1,193,455	1,311,607	9.9	5.0	9.9
Colleges & universities	1,407,073	1,686,946	1,826,962	8.3	0.3	9.1
Primary & secondary schools	719,533	743,361	783,502	5.4	0.5	2.9
In-transit feeding (airlines)	548,688	666,725	738,731	10.8	5.9	10.4
Recreation & sports centers	1,075,677	1,247,705	1,347,521	8.0	3.1	7.8
Total food contractors	$ 7,708,246	$ 8,945,838	$ 9,674,679	8.1%	2.7%	7.9%
Lodging places						
Hotel restaurants	$ 5,944,444	$ 7,010,800	$ 7,627,750	8.8%	3.9%	8.7%
Motor hotel restaurants	1,032,536	1,215,528	1,317,632	8.4	3.5	8.5
Motel restaurants	1,655,546	1,952,538	2,112,646	8.2	3.3	8.5
Total lodging places	$ 8,632,526	$ 10,178,866	$ 11,058,028	8.6%	3.7%	8.6%
Retail host restaurants[3]	$ 3,955,769	$ 4,583,929	$ 4,973,563	8.5%	3.6%	7.9%
Recreation & sports[4]	1,659,459	1,898,139	2,040,499	7.5	2.6	7.1
Mobile caterers	500,353	573,374	618,670	7.9	3.0	7.3
Vending & non-store retailers[5]	2,674,249	3,075,831	3,324,973	8.1	3.2	7.5
TOTAL GROUP I	**$119,214,833**	**$141,596,494**	**$153,478,520**	**8.4%**	**3.4%**	**8.8%**
GROUP II—Institutional Feeding—Business, Educational, Government or Institutional Organizations Which Operate Their Own Foodervice						
Employee feeding[6]	$ 1,733,223	$ 1,956,521	$ 2,091,521	6.9%	2.0%	6.5%
Public & parochial elementary, secondary schools	2,464,112	2,526,099	2,637,247	4.4	–0.5	2.3
Colleges & universities	2,783,452	3,303,679	3,558,062	7.7	–0.3	8.5
Transportation	671,864	815,012	898,143	10.2	5.3	10.2
Hospitals[7]	7,641,436	8,505,041	9,049,363	6.4	1.5	5.8
Nursing homes, homes for aged, blind, orphans, mentally & physically handicapped[8]	2,704,629	3,024,489	3,224,105	6.6	1.7	6.0
Clubs, sporting & recreational camps	1,390,580	1,615,970	1,745,248	8.0	3.1	7.9
Community centers	344,023	348,336	362,618	4.1	–0.8	1.8
TOTAL GROUP II	**$ 19,733,319**	**$ 22,095,147**	**$ 23,566,307**	**6.6%**	**1.2%**	**6.1%**
TOTAL GROUP I & II	**$138,948,152**	**$163,691,641**	**$177,044,827**	**8.2%**	**3.2%**	**8.4%**
GROUP III—Military feeding[9]						
Officers & NCO Clubs ("Open Mess")	$ 471,367	$ 557,464	$ 605,963	8.7%	3.8%	8.7%
Foodservice—military exchanges	242,793	278,233	298,822	7.4	2.5	7.2
TOTAL GROUP III	**$ 714,160**	**$ 835,697**	**$ 904,785**	**8.3%**	**3.4%**	**8.2%**
GRAND TOTAL	**$139,662,312**	**$164,527,338**	**$177,949,612**	**8.2%**	**3.2%**	**8.4%**

Footnotes:

1. Data are given only for establishments with payroll.
2. Food and drink sales for nonpayroll establishments totaled $2,769,837,000 in 1982.
3. Includes drug and proprietary store restaurants, general merchandise store restaurants, variety store restaurants, food store restaurants, grocery store restaurants, gasoline service station restaurants and miscellaneous retailers.
4. Includes drive-in movies, bowling lanes, recreation and sport centers.
5. Includes sales of hot food, sandwiches, pastries, coffee and other hot beverages.
6. Includes industrial and commercial organizations, seagoing and inland waterway vessels.
7. Includes voluntary and proprietary hospitals, long-term general, TB, mental hospitals; and sales or commercial equivalent to employees in state and local short-term hospitals and federal hospitals.
8. Sales (commercial equivalent) calculated for nursing homes and homes for aged only. All others in this grouping make no charge for food served either in cash or in kind.
9. Continental U.S. only.

advance, but the gains will be down somewhat from 1984 due to the slowdown in economic growth. In addition, many major corporations are continuing to pay close attention to costs in order to maintain or improve profit margins. As a result, they are putting increased pressure on contractors to provide foodservice at a set price. Contractors, in turn, are doing everything possible to hold down costs and are looking for ways to expand the office contract business, such as instituting take out dinner service.

Food contractor sales at *manufacturing and industrial plants* should climb 7.4 percent to $2.8 billion, with a 2.5 percent gain in real sales. This is due primarily to the projected 2.0 percent increase in manufacturing employment.

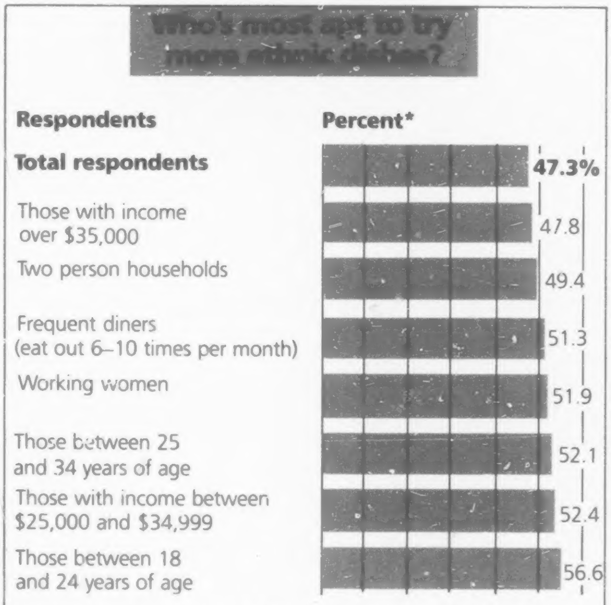
Institutional foodservice sales in the employee feeding category, which includes *industrial and commercial organizations, sea-going ships and inland waterway vessels,* are forecast to rise 6.9 percent to $2.1 billion in 1985. In real dollars this is an advance of 2.0 percent. Contractors continue to make significant in-roads into employee feeding, especially into penetration of the office segment.

Educational feeding sales predicted to advance 6.6 percent . . .

Foodservice sales for the educational feeding category are predicted to advance 6.6 percent in 1985 to $8.8 billion. Real sales, however, are anticipated to fall 0.2 percent, due to declining enrollment in the nation's schools. Enrollment in colleges and universities is expected to decline 0.4 percent in 1985, while primary and secondary school enrollment should drop 0.5 percent.

Contractor food and drink sales at *colleges and universities* should increase 8.3 percent in 1985. This is a gain of 0.3 percent after adjusting for inflation. This slight gain can be attributed to the increasing number of students who choose to live on campus and utilize the dining facilities. *Colleges and universities* that operate their own foodservice program are projected to post sales of $3.6 billion. This represents a 7.7 percent gain over 1984.

Contractor sales at *primary and secondary schools* are expected to grow 5.4 percent in 1985, an increase of 0.5 percent in real dollars. Institutional sales are forecast to advance a lower 4.4 percent to $2.6 billion.


Who's most apt to try more ethnic dishes?

*Percent saying they would definitely try more ethnic dishes if available at restaurants.

Source: National Restaurant Association

Transportation feeding sales predicted to reach $1.6 billion . . .

Food and drink sales in the transportation feeding category are predicted to reach $1.6 billion in 1985, a gain of 10.5 percent over 1984. After adjusting for inflation, sales will rise a hefty 5.6 percent. *In-transit feeding (airlines)* sales are anticipated to record the strongest gains in both this segment and the industry next year—up 10.8 percent in nominal dollars and 5.9 percent in real dollars. Fueling this strong increase will be a six percent rate of growth in airline traffic—a result of expanded passenger capacity as well as greater promotion of discount air fares.

Institutional transportation feeding sales, which include sales on *airlines, passenger/cargo liners and railroads,* are projected to rise 10.2 percent in 1985. After adjusting for inflation, the gain is a significant 5.3 percent. Heavier emphasis on marketing as well as discount pricing will be the primary factors contributing to this growth.

Recreational feeding sales expected to increase 7.8 percent . . .

Foodservice sales in the recreational feeding category are expected to increase 7.8 percent in 1985, with real sales rising 2.9 percent. Total sales for this industry segment should reach $5.1 billion. This forecast is based on the premise that fewer Americans will be traveling abroad in 1985. Instead, they will opt to spend their vacation and leisure time visiting amusement parks in the U.S. and attending sports events. In 1984, many Americans took advantage of the strong U.S. dollar and traveled to other countries, causing attendance and sales at recreation and sporting events to drop.

Food and drink sales by contractors at *recreation and sports centers* are expected to climb 8.0 percent to $1.3 billion. Real sales should be up 3.1 percent. Attendance at theme parks is expected to improve somewhat in 1985, and better foodservice offerings, which increase per person expenditures, will help boost sales.

Non-contractor food and drink sales at *recreation and sports centers,* which include *drive-in movies, bowling lanes and recreation and sports centers,* should climb 7.5 percent to $2.0 billion. Real sales are expected to advance 2.6 percent.

Food and drink sales at *clubs, sporting and recreation camps* are predicted to total $1.7 billion in 1985. This is a gain of 8.0 percent from 1984. Clubs especially will see improved sales as more businesses use them for meetings and conferences. However, this could change if Congress changes the tax laws regarding the deductability of club expenses. Sports and recreation camps will experience few changes as their market has now stabilized.

Health care feeding sales estimated to total $13.6 billion . . .

Food and drink sales at health care facilities are estimated to total $13.6 billion in 1985—up 6.8 percent from 1984. In inflation-adjusted dollars this represents an increase of 1.9 percent. Foodservice sales by contractors in *hospitals and nursing homes* will post the strongest advance in this segment—rising 9.9 percent, with a 5.0 percent gain in real dollars. Foodservice sales at nursing homes are a major factor in this segment's growth. The occupancy rate is high, and there is a constant demand to add even more beds because of the increasing numbers of senior citizens.

Hospitals that operate their own foodservice operations will post sales of more than $9.0 billion in 1985, a gain of 6.4 percent in nominal dollars and a 1.5 percent rate of growth in real dollars. However, occupancy rates are slipping as there is great pressure for hospitals to reduce the number of days for the average stay because of changes in the Medicare payment system. This indicates a possible slowdown in the growth rate for this segment of the industry.

Nursing homes that operate their own foodservice operations should record sales of $3.2 billion—up 6.6 percent over the prior year.

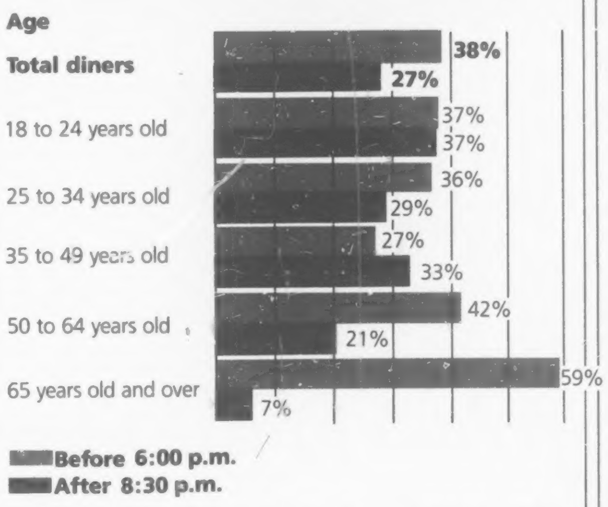
Retail hosts sales projected to rise 8.5 percent . . .

Sales for *retail hosts,* which include foodservice operations in drugstores, department stores and convenience and grocery stores, are projected to advance 8.5 percent in 1985, considerably above the compound annual rate of growth of 7.9 percent between 1982 and 1985. Total sales should amount to almost $5.0 billion, with real sales advancing 3.6 percent. Retail sales are expected to be relatively strong in 1985, and this should boost foodservice sales at various retail outlets. In addition, the convenience and grocery store segments are continuing to increase their take out offerings to capitalize on the strong consumer desire for convenience.

Vending and non-store retailer sales should total $3.3 billion . . .

Food and drink sales for *vending and non-store retailers* are projected to total $3.3 billion next year—up 8.1 percent over 1984. Real sales in 1985 are forecast to increase a healthy 3.2 percent. Contributing to sales growth in this category will be the spread of vending machines into non-traditional segments as well as increased employment in factories, where these machines already exist.

Who's most apt to take advantage of early bird or late night dinners?*



*Percent saying they were very likely to take advantage of a 10 percent discount during these periods.

Source: Gallup Monthly Report

Foodservice sales by *mobile caterers* will advance 7.9 percent in current dollars and 3.0 percent in real dollars. Total sales for this segment of the industry should reach $619 million in 1985. The relative strength of the construction industry, the continued growth of manufacturing employment and increased attendance at recreation and sports events will contribute to higher food and drink sales for this segment.

Community centers sales to post gain of only 4.1 percent . . .

Food and drink sales at *community centers* should post a gain of only 4.1 percent to $363 million in 1985. However, real sales are forecast to decline 0.8 percent from 1984's level. The low rate of sales growth is a result of funding cuts for public and community projects.

Military feeding sales to record 8.3 percent increase . . .

Sales for the Military Feeding Group will advance 8.3 percent in 1985. Total sales should reach $905 million, with real sales climbing 3.4 percent. The increase in food and drink sales for this segment is due to continued efforts on the part of the military to upgrade its foodservice.

Officer and NCO clubs will have sales of approximately $606 million in 1985—up 8.7 percent from the prior year.

Military exchange food and drink sales should rise 7.4 percent above a year earlier. This represents a 2.5 percent increase in real dollars. However, as fast food restaurants move onto military bases, military exchange sales could drop because such sales would be included in the eating place sector under limited menu restaurants.

Facing the challenge of the future . . .

The industry faces a positive but challenging environment. 1985 marks the fifth consecutive year of real sales gains, and indications are that this trend will continue.

The economy is expected to remain healthy through the rest of the decade with continuing low inflation and unemployment rates. Although some economists are forecasting a mild recession during 1986, the long-range economic picture remains bright.

Demographic and lifestyle trends will also favor the restaurant industry. For instance, research shows that some of the fastest growing demographic groups, such as the baby boomers, working women and singles, tend to eat out frequently and spend more on eating away from home than do other groups. This suggests the industry will continue to have an ample customer base in 1985 and during the rest of the decade.

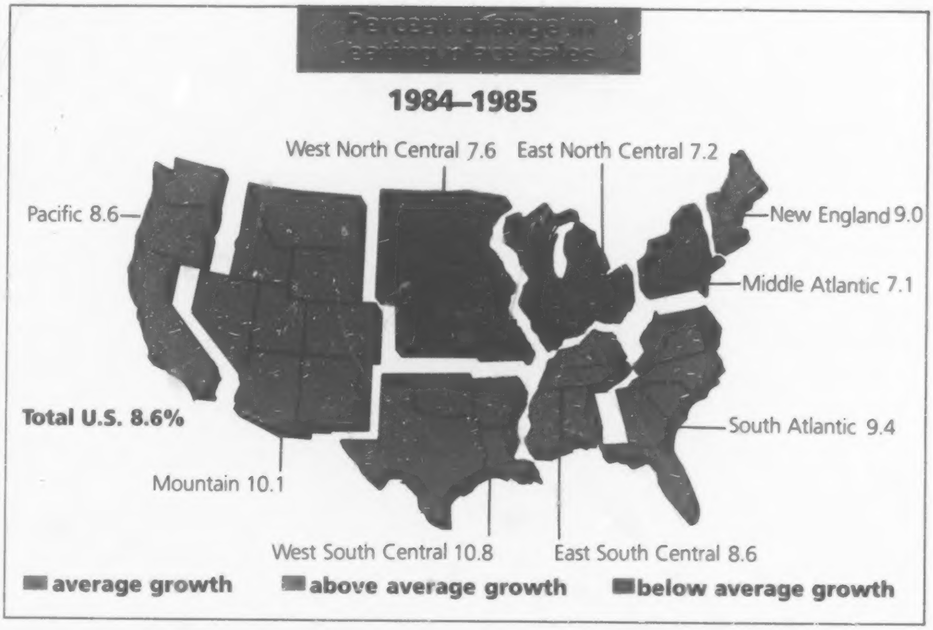
Although the future looks bright for the foodservice industry, restaurateurs will have to continually adapt to a changing environment to ensure success. Restaurateurs who focus on their patrons' evolving needs and remain flexible in today's competitive and variable market should remain successful through the 1980s.

Part III

Regional and state-by-state forecast

For the fifth consecutive year, the National Restaurant Association has forecast eating place sales for each of the 50 states and the District of Columbia. Restaurant operators can use this data to compare their sales performance with the average for their state or region and to plan for the year ahead.

Eating place sales performance differs from state-to-state and region-to-region depending, to a great extent, on the economic situation in the area. Varying rates of income, population and employment growth all affect restaurant sales.

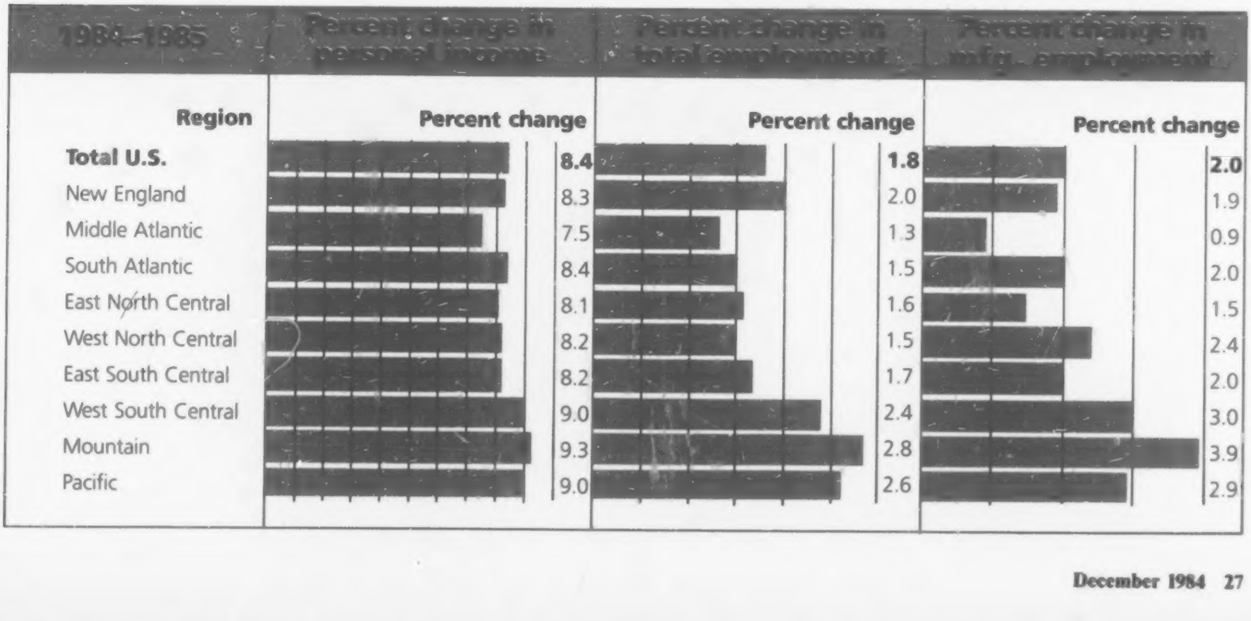

Percent change in eating place sales

1984–1985

West North Central 7.6
East North Central 7.2
Pacific 8.6
New England 9.0
Middle Atlantic 7.1
Total U.S. 8.6%
South Atlantic 9.4
Mountain 10.1
West South Central 10.8
East South Central 8.6
▨ average growth
▨ above average growth
■ below average growth

Regional highlights . . .

- The West South Central region will post the strongest gain in eating place sales in 1985—up 10.8 percent over the prior year. The Mountain region follows with a 10.1 percent advance.
- The Middle Atlantic and East North Central regions will record the smallest sales increases—7.1 percent and 7.2 percent, respectively.
- The Pacific region continues to rank number one in terms of total restaurant sales, with sales of $23.4 billion predicted in 1985. The East North Central region ranks second with sales of $21.4 billion.
- Alaska will have the largest percentage increase in sales in 1985—up 11.3 percent—closely followed by Texas with an 11.2 percent gain and Oklahoma and Colorado each with 11.0 percent advances.
- California ranks first in total restaurant sales—$17.4 billion—followed by Texas ($8.9 billion) and New York ($8.2 billion).



1984–1985 Region	Percent change in personal income Percent change	Percent change in total employment Percent change	Percent change in mfg. employment Percent change
Total U.S.	**8.4**	**1.8**	**2.0**
New England	8.3	2.0	1.9
Middle Atlantic	7.5	1.3	0.9
South Atlantic	8.4	1.5	2.0
East North Central	8.1	1.6	1.5
West North Central	8.2	1.5	2.4
East South Central	8.2	1.7	2.0
West South Central	9.0	2.4	3.0
Mountain	9.3	2.8	3.9
Pacific	9.0	2.6	2.9

New England region

Eating place sales ($000)

	1984	1985	Percent change
Connecticut	$1,565,874	$1,706,803	9.0%
Maine	501,847	541,995	8.0
Massachusetts	3,315,124	3,625,088	9.4
New Hampshire	516,334	560,222	8.5
Rhode Island	444,871	481,795	8.3
Vermont	250,276	274,302	9.6
Total region	**$6,594,326**	**$7,190,205**	**9.0%**

Middle Atlantic region

Eating place sales ($000)

	1984	1985	Percent change
New Jersey	$ 3,159,830	$ 3,384,178	7.1%
New York	7,683,169	8,220,991	7.0
Pennsylvania	4,596,223	4,927,151	7.2
Total region	**$15,439,222**	**$16,532,320**	**7.1%**

Outlook for New England region

Major industries

- High technology
- Defense
- Textiles and apparel
- Manufacturing

Outlook

- The further expansion of high technology industries in the region should benefit the area's economy.
- Textile exports from the region will continue to be hampered by the strong dollar.
- Increased defense spending will contribute to the growth of defense related industries.
- Employment gains will outpace the U.S. average, and personal income should increase at approximately the same pace as the total U.S.
- *Eating place sales* are projected to advance 9.0 percent to $7.2 billion in 1985, slightly above the national average.

Outlook for New England states

Connecticut

- Employment in manufacturing industries is projected to advance a slight 1.5 percent in 1985.
- Personal income and population should increase at levels somewhat below the rest of the region.
- *Eating place sales* are expected to total $1.7 billion, a gain of 9.0 percent, approximating the regional average.

Maine

- The tourism industry will be hindered somewhat by the weak Canadian dollar, keeping many Canadians home who would ordinarily travel to this state.
- Employment and personal income should increase at a slower pace than the regional average.
- *Eating place sales* will record the slowest growth rate in the region in 1985—8.0 percent.

Massachusetts

- The state's growing electronics industry will give the economy a boost.
- Personal income should rise a substantial 9.3 percent in 1985, the largest advance in the region.
- *Eating place sales* are forecast to total $3.6 billion, up a hefty 9.4 percent.

New Hampshire

- The state's lumber industry will benefit from improved demand for housing and construction.
- Personal income, employment and population are expected to advance at better than average rates.
- *Eating place sales* are projected to equal $560 million in 1985.

Rhode Island

- The jewelry and silverware industries will enjoy a profitable year in 1985 due to increased consumer demand for these products.
- Personal income is expected to advance 8.5 percent in 1985—somewhat faster than the regional.
- *Eating place sales* should equal $482 million in 1985, up 8.3 percent over 1984.

Vermont

- Manufacturing employment and population should increase at a faster pace than the region as a whole.
- Personal income is anticipated to rise 8.3 percent, mirroring the region.
- *Eating place sales* are forecast to climb an impressive 9.6 percent, outpacing the regional and national averages.

Outlook for Middle Atlantic region

Major industries

- Steel
- Finance
- Service

Outlook

- The area is forecast to experience the slowest employment and personal income growth in the nation.
- The upturn in automobile production should provide a boost to the ailing steel industry, however.
- The financial segment will continue to profit from upbeat economic conditions.
- *Eating place sales* are predicted to increase at the slowest rate in the country, 7.1 percent.

Outlook for Middle Atlantic states

New Jersey

- High-tech industries are expected to continue to expand, benefiting the state's economy.
- Personal income is predicted to increase 7.6 percent, somewhat higher than the regional average.
- *Eating place sales* will total $3.4 billion, up 7.1 percent from 1984's $3.2 billion.

New York

- Financial and high technology industries will expand.
- Population, employment and personal income are forecast to increase at the slowest rates in the region.
- *Eating place sales* in 1985 are predicted to reach $8.2 billion, up 7.0 percent from the prior year.

Pennsylvania

- Improved outlook for the automobile and steel industries will help boost the state's economy.
- Employment, population and personal income will rise at a pace above the regional averages.
- *Eating place sales* are projected to increase at the highest rate in the region—7.2 percent.

Outlook for South Atlantic region

Major industries

- Furniture
- Steel
- High technology
- Tourism
- Textiles and apparel

Outlook

- Increasing numbers of high technology firms in the area will benefit the economy.
- Rising levels of consumer confidence and spending should help the furniture and automobile industries.
- Textile exports are expected to have stiff competition in foreign markets, primarily a result of the strong U.S. dollar.
- Personal income and manufacturing employment

gains should approximate the national averages.

- *Eating place sales* are predicted to advance 9.4 percent, well above the expected U.S. level and sales should reach $20.6 billion.

South Atlantic region

Eating place sales ($000)

	1984	1985	Percent change
Delaware	$ 302,896	$ 327,733	8.2%
District of Columbia	543,452	580,407	6.8
Florida	6,347,592	7,001,394	10.3
Georgia	2,628,424	2,882,330	9.7
Maryland	2,030,299	2,176,480	7.2
North Carolina	2,559,872	2,815,859	10.0
South Carolina	1,268,744	1,398,156	10.2
Virginia	2,524,547	2,754,281	9.1
West Virginia	617,838	666,647	7.9
Total region	**$18,823,664**	**$20,603,287**	**9.4%**

Outlook for South Atlantic states

Delaware

- Gains in employment, population and personal income are expected to be below that for the region and the nation.
- *Eating place sales* are projected to rise 8.2 percent—considerably below the regional and national averages.

District of Columbia

- The population level is expected to fall in 1985, while the number of persons employed is projected to advance slightly.
- Personal income should rise at one of the fastest paces in the nation—9.5 percent.
- *Eating place sales* are forecast to total $580 million in 1985, up from $543 million in 1984.

Florida

- The increasing number of high technology firms as well as the revived housing industry are expected to contribute to the state's economy.
- Traffic at theme and amusement parks in the state should be up slightly.
- Population, employment and personal income will increase well above the regional average.
- *Eating place sales* should record a significant advance—10.3 percent to $7.0 billion—the strongest gain in the region.

Georgia

- Lumber related industries should benefit from improved housing demand and consumer demand for durable goods such as furniture.
- Personal income and employment gains should approximate or be slightly higher than the regional averages.
- *Eating place sales* are projected to jump an impressive 9.7 percent to $2.9 billion.

Maryland

- The number of people employed in the state is expected to increase at a faster pace than the region as a whole. On the other hand, income gains will be slightly below the average for the area because the state still suffers from high unemployment in the manufacturing sector.
- *Eating place sales* are expected to reach $2.2 billion—up 7.2 percent from 1984.

North Carolina

- Textile exports may be down due to increased foreign competition and the strong dollar.
- Improved housing demand and continued consumer purchases of furniture should benefit the state's household goods industries.
- Population, employment and personal income should all increase at a faster pace than the region and nation.
- *Eating place sales* are projected to advance 10.0 percent in 1985, well above the regional and national averages of 9.4 percent and 8.6 percent, respectively.

South Carolina

- Employment growth should advance 2.1 percent, considerably higher than the 1.5 percent regional average.
- Personal income and population will also increase at a faster pace than the region as a whole.
- *Eating place sales* are expected to total $1.4 billion in 1985, a gain of 10.2 percent over 1984.

Virginia

- The furniture industry should benefit from consumer demand for durable goods.
- Personal income, employment and population increases will approximate the regional averages.
- *Eating place sales* are expected to climb 9.1 percent—somewhat below the regional average of 9.4 percent.

West Virginia

- The weak coal mining industry will continue to hinder the state's economy.
- Slight gains in population, employment and income levels are expected, but the rate of increases will be below the regional averages.
- *Eating place sales* are forecast to increase 7.9 percent to $667 million in 1985.

East North Central region

Eating place sales ($000)

	1984	1985	Percent change
Illinois	$ 5,694,326	$ 6,075,856	6.7%
Indiana	2,629,283	2,830,686	7.7
Michigan	4,186,034	4,493,707	7.4
Ohio	5,201,912	5,573,849	7.2
Wisconsin	2,287,372	2,460,068	7.6
Total region	**$19,998,927**	**$21,434,166**	**7.2%**

Outlook for East North Central region

Major industries

- Automobile
- Steel
- Rubber
- Agriculture

Outlook

- With the automobile industry on the mend, the steel and rubber industries should see some improvement.
- Agricultural industries will continue to experience slow growth.
- Personal income, population and employment will increase at a slower pace than the national average.
- *Eating place sales* are projected to reach $21.4 billion in 1985, an advance of 7.2 percent.

Outlook for East North Central states

Illinois

- The greatest proportion of the region's eating place sales—28 percent—will be in this state.
- Personal income and employment growth will be the slowest in the region.
- *Eating place sales* are forecast to increase only 6.7 percent, versus a 7.2 percent gain for the region.

Indiana

- The improved outlook for the auto industry and agriculture should benefit the state.
- Manufacturing employment is expected to rise 1.5 percent, similar to the regional gain.
- Personal income will increase 8.2 percent—slightly above the regional average.
- *Eating place sales* should record a gain of 7.7 percent in 1985, the largest increase in the region.

Michigan

- The revived auto industry will boost the area's economy.
- Manufacturing employment and personal income should advance slightly faster than the regional averages.
- *Eating place sales* are predicted to total $4.5 billion in 1985—up 7.4 percent from 1984.

Ohio

- The rubber industry will benefit slightly from increased automobile production.
- Manufacturing employment, population and personal income gains should advance at a somewhat slower pace than the region as a whole.
- *Eating place sales* are expected to advance 7.2 percent in 1985 to $5.6 billion.

Wisconsin

- The agricultural industry should post moderate gains in 1985.
- The state will record the largest increases in population, personal income and manufacturing employment in the region.
- *Eating place sales* are forecast to total $2.5 billion, a 7.6 percent advance.

Outlook for West North Central region

Major industries

- Agriculture
- Farming equipment
- Fertilizers

Outlook

- Agricultural industries are expected to grow at a slow pace.

West North Central region

Eating place sales ($000)

	1984	1985	Percent change
Iowa	$1,204,284	$1,282,562	6.5%
Kansas	1,119,055	1,208,579	8.0
Minnesota	1,994,826	2,156,407	8.1
Missouri	2,300,793	2,473,352	7.5
Nebraska	731,526	784,196	7.2
North Dakota	302,575	329,202	8.8
South Dakota	290,392	310,429	6.9
Total region	**$7,943,451**	**$8,544,727**	**7.6%**

East South Central region

Eating place sales ($000)

	1984	1985	Percent change
Alabama	$1,273,558	$1,375,443	8.0%
Kentucky	1,491,477	1,619,744	8.6
Mississippi	711,892	773,115	8.6
Tennessee	2,004,625	2,185,041	9.0
Total region	**$5,481,552**	**$5,953,343**	**8.6%**

- Both population and personal income will grow at rates below the national level. However, manufacturing employment is projected to rise 2.4 percent, slightly above the national level.
- *Eating place sales* will advance at a rate of 7.6 percent to $8.5 billion in 1985.

Outlook for West North Central states

Iowa

- Despite bumper wheat and corn crops, farmers are not expected to see much economic improvement in 1985.
- Manufacturing employment, population and personal income increases should mirror the regional averages.
- *Eating place sales* are predicted to reach $1.3 billion, a gain of 6.5 percent—the lowest expected advance for any state in the region.

Kansas

- Manufacturing employment is expected to increase 3.8 percent, considerably higher than the region's 2.4 percent average.
- Population and personal income gains will be above the regional averages.
- *Eating place sales* will advance 8.0 percent—somewhat faster than the regional average of 7.6 percent.

Minnesota

- High-tech industries within the state are expected to do well in 1985.
- Population, personal income and employment will record better than average gains.
- Eating place sales are projected to total $2.2 billion, a gain of 8.1 percent.

Missouri

- Manufacturing employment should advance 1.5 percent in 1985.
- *Eating place sales* are expected to advance 7.5 percent versus a 7.6 percent gain for the region.

Nebraska

- Population, employment and income growth should lag behind the rest of the region.
- *Eating place sales* are forecast to advance 7.2 percent to $784 million in 1985.

North Dakota

- Manufacturing employment will rise 3.9 percent, the strongest gain in the region.
- Personal income, however, should advance more slowly than the regional average, 7.9 percent versus 8.2 percent.
- *Eating place sales* are projected to rise 8.8 percent to $329 million, the strongest advance in the region.

South Dakota

- Although population is expected to decline slightly in 1985, a significant gain in the rate of manufacturing employment is forecast.
- *Eating place sales* are expected to record a 6.9 percent advance, well below the regional average.

Outlook for East South Central region

Major industries

- Textiles
- Household appliances
- Apparel
- Auto parts

Outlook

- Growth in construction and automobile industries will help the region's recovery.
- The strong dollar may continue to impede the textile industry's ability to compete in the world market.
- Personal income, population and employment growth should mirror the national averages.
- *Eating place sales* are forecast to increase 8.6 percent to $6.0 billion.

Outlook for East South Central states

Alabama

- Due to the revival of the lumber and automobile parts industries, the state's economy will improve in 1985.
- Population and employment are projected to grow

at levels above the national averages.

- *Eating place sales* should advance 8.0 percent in 1985 to $1.4 billion.

Kentucky

- Personal income, employment and population will rise more slowly than the regional averages.
- *Eating place sales* will reach $1.6 billion, an advance of 8.6 percent.

Mississippi

- Manufacturing employment is expected to rise 2.2 percent in 1985.
- Personal income will increase at a slightly lower rate than the rest of the region—8.0 percent.
- *Eating place sales* are projected to advance 8.6 percent, approximating regional and national averages.

Tennessee

- Many of the state's automobile and housing related industries should fare well in 1985.
- Population, personal income and employment growth are expected to outpace regional averages.
- *Eating place sales* are predicted to reach $2.2 billion, climbing 9.0 percent.

West South Central region

Eating place sales ($000)

	1984	1985	Percent change
Arkansas	$ 755,298	$ 817,988	8.3%
Louisiana	1,855,246	2,044,481	10.2
Oklahoma	1,596,649	1,772,280	11.0
Texas	7,984,506	8,876,996	11.2
Total region	**$12,191,699**	**$13,511,745**	**10.8%**

Mountain region

Eating place sales ($000)

	1984	1985	Percent change
Arizona	$1,575,777	$1,744,385	10.7%
Colorado	2,054,231	2,280,196	11.0
Idaho	410,750	443,199	7.9
Montana	408,756	439,821	7.6
Nevada	562,295	615,713	9.5
New Mexico	703,502	777,370	10.5
Utah	624,784	676,106	8.2
Wyoming	294,036	325,498	10.7
Total region	**$6,634,131**	**$7,302,288**	**10.1%**

Outlook for West South Central region

Major industries

- Oil and gas
- Finance
- Chemicals
- Service

Outlook

- Falling oil prices will continue to slow the growth of energy-related industries.
- Finance and service industries should experience continued expansion.
- Growth in population, employment and personal income should be among the strongest in the nation.
- *Eating place sales* are expected to post the most substantial growth in the nation—10.8 percent—and reach $13.5 billion.

Outlook for West South Central states

Arkansas

- An improved lumber industry should benefit the state's economy.
- Personal income, population and employment gains are expected to be lower than the regional averages.
- *Eating place sales* are projected to post an 8.3 percent gain, versus the regional average of 10.8 percent.

Louisiana

- Personal income is projected to rise 8.5 percent, and employment should increase 2.0 percent.
- *Eating place sales* are forecast to total $2.0 billion in 1985, a gain of 10.2 percent.

Oklahoma

- Slow gains in energy-related industries may hamper this state's growth.
- Personal income, employment and population advances should be slightly lower than those expected for the region.
- *Eating place sales* are projected to rise 11.0 percent in 1985 to $1.8 billion.

Texas

- Growing high technology and service industries should benefit the state. However, energy-related businesses will experience slow growth.
- Substantial gains in personal income, employment and population are expected and will help boost the state's economy.
- *Eating place sales* will reach $8.9 billion, up an impressive 11.2 percent over 1984.

Outlook for Mountain region

Major industries

- Mining
- High technology
- Lumber/construction

Outlook

- Growth in the lumber and construction industries will profit region.
- High technology jobs will continue to contribute to the region's growth.
- Population, employment and personal income will post the strongest gains in the country.
- *Eating place sales* will experience substantial growth—10.1 percent—and total $7.3 billion.

Outlook for Mountain states

Arizona

- Continued growth for high technology industries will benefit this state.
- Employment is expected to advance 3.5 percent, and personal income should increase 9.8 percent—the strongest gains in the region.
- *Eating place sales* are projected to advance 10.7 percent to $1.7 billion in 1985.

Colorado

- Manufacturing employment is expected to rise 3.8 percent, and personal income should advance 9.5 percent.
- *Eating place sales* are forecast to advance 11.0 percent—the largest anticipated increase in the region.

Idaho

- The weak mining industry could hinder the state's economy.
- Population, personal income and employment are expected to grow more slowly than the regional averages.
- *Eating place sales* are predicted to advance 7.9 percent compared with the regional average of 10.1 percent.

Montana

- Employment, population and personal income are expected to advance at the slowest pace in the region.
- *Eating place sales* should advance only 7.6 percent—well below the regional average.

Nevada

- The state's stone, clay and glass industries will be on the upswing due to the healthy automobile and housing industries.

- Manufacturing employment should rise at the fastest pace in the country—4.7 percent.
- Tourism will continue to grow and provide a boost to Nevada's economy.
- *Eating place sales* are projected to advance 9.5 percent to $616 million.

New Mexico

- Increased defense and aerospace expenditures should perk up the state's economy.
- Employment, personal income and population are forecast to increase more slowly than the region as a whole.
- *Eating place sales* are projected to reach $777 million, an advance of 10.5 percent.

Utah

- The upturn in automobile production will benefit the area's fabricated metals industry.
- Personal income and manufacturing employment growth should mirror the regional average.
- *Eating place sales* are expected to rise 8.2 percent, somewhat below the regional average.

Wyoming

- Personal income should increase 9.4 percent, outpacing the regional average.
- *Eating place sales* are forecast to advance a substantial 10.7 percent to $325 million.

Pacific region

Eating place sales ($000)

	1984	1985	Percent change
Alaska	$ 344,020	$ 382,894	11.3%
California	16,053,660	17,442,302	8.7
Hawaii	1,009,631	1,092,421	8.2
Oregon	1,517,277	1,638,659	8.0
Washington	2,584,606	2,804,298	8.5
Total region	**$21,509,194**	**$23,360,574**	**8.6%**

Outlook for Pacific region

Major industries

- High technology
- Aerospace
- Lumber
- Tourism

Outlook

- Construction and lumber industries will continue to expand.
- The continued growth of high technology companies in the region will benefit the economy.
- Foreign tourism may suffer somewhat due to the strong dollar.
- Advances in population, employment and personal income should be among the strongest in the country.
- *Eating place sales* are expected to record the highest sales volume in the U.S.—$23.4 billion—an 8.6 percent increase.

Outlook for Pacific states

Alaska

- Employment, personal income and population should rise at the fastest rate in the region.
- *Eating place sales* are projected to advance an impressive 11.3 percent, outpacing regional and national averages.

California

- The continued growth of high technology firms will provide a boost to the state's economy.
- Personal income and employment increases are expected to mirror the regional averages.
- *Eating place sales* should increase 8.7 percent, slightly faster than the regional average.

Hawaii

- Tourism may be hurt somewhat because the strong U.S. dollar makes travel unfavorable for foreigners.
- Employment, population and personal income are expected to advance at slightly lower than average levels.
- *Eating place sales* should grow 8.2 percent—somewhat below the regional average.

Oregon

- A major effort to attract more high technology firms will boost the state's economy.
- Personal income growth should approximate the regional average of 9.0 percent.
- *Eating place sales* are forecast to reach $1.6 billion—an 8.0 percent advance.

Washington

- Due to increased defense spending, the state's aerospace industry is booming.
- Employment gains should equal the regional average, and the advance in personal income is expected to be slightly higher than the average for the region.
- *Eating place sales* should advance 8.5 percent to $2.8 billion.

How the regional forecast was prepared

The economic and sales data for the states have been arranged according to the nine census regions. Included for each state are revised eating place sales for 1984, projected 1985 sales figures and information on personal income and employment data. Much of the economic data in this report is based on information obtained from such sources as the Bureau of Economic Analysis, National Planning Association and the Conference Board.

The estimates for eating place sales used here were prepared in consultation with the research firm Malcolm M. Knapp, Inc. State-by-state historical eating place sales trends between 1972, 1977 and 1982 form the basis for these projections. Special attention was paid to growth trends between 1977 and 1982 for refreshment places (fast food) and restaurants and lunchrooms for each state. These sales figures were then modified to reflect current and projected income and population data.

A few reminders

Here are a few things to keep in mind when using the regional sales figures in this report.

- Adjustments were made to arrive at a predetermined U.S. total.
- Sales projections for 1985 are based on the best available data in September 1984. If the outlook for general economic conditions or the food situation changes significantly in 1985, these projections will require adjustment.
- Sales figures for each state are subject to greater error than the national projections.
- *The actual sales figures are a better indication than percent changes of the size of the restaurant industry in respective states.* Actual sales figures represent an overall allocation of total sales in the U.S., while percent changes are subject to more variation. Percent changes have been shown here as a convenience to our readers.
- The sales information for states and regions are for all establishments. They represent the U.S. Census definition of eating places (SIC Code 5812) and include figures for operations with payroll and without payroll as well as contract feeding. As a result, the sales figures for states and regions will not equal the total for eating places shown on page 24.
- Regional projections were not done separately, and, as a result, regional totals are sums of state data.

Part IV

Food and drink purchases projected to reach $72 billion in 1985

Food and drink purchases for the foodservice industry are forecast to reach $72 billion in 1985. Other highlights:

- Purchases in the Commercial Feeding Group, which account for nearly 72 percent of the total amount spent, are estimated to total $51.6 billion next year.
- Eating places, the largest component of the Commercial Feeding Group, are projected to record food and drink purchases of $39.8 billion in 1985.
- Food contractors, which comprise the largest component of the commercial segment in terms of amount of dollars spent, are forecast to post 1985 purchases of $3.9 billion.
- Purchases for the Institutional Feeding Group, which account for almost 19 percent of total industry food and drink purchases, should equal $13.4 billion in 1985.
- Hospitals, the largest food and drink purchaser in the institutional segment, will record purchases of $4.1 billion in 1985.
- Food and drink purchases that will be provided to foodservice employees in both the Commercial and Institutional Feeding Groups are forecast to reach $4.7 billion next year.
- Purchases in the Military Feeding Group are expected to reach $2.3 billion, with defense personnel accounting for the largest share—almost $2.0 billion.

The foodservice industry—food and drink purchases projected to 1985*

Estimated food and drink purchases ($000)

Group I—Commercial feeding [1]	
Eating places	
Restaurants, lunchrooms	$21,484,610
Limited menu restaurants	16,251,214
Commercial cafeterias	1,115,385
Social caterers	349,580
Ice cream, frozen custard stands	606,778
Total—eating places	*$39,807,567*
Bars and taverns	$ 496,436[2]
Total—eating and drinking places	*$40,304,003*
Food contractors	
Manufacturing and industrial plants	$ 1,265,433
Commercial and office buildings	402,759
Hospitals and nursing homes	524,643
Colleges and universities	584,628
Primary and secondary schools	320,914
In-transit feeding (airlines)[3]	354,554
Recreation and sports centers	472,980
Total—food contractors	*$ 3,925,911*
Lodging places	
Hotel restaurants	$ 2,480,849
Motor hotel restaurants	430,378
Motel restaurants	712,743
Total—lodging places	*$ 3,623,970*
Other commercial	
Retail host restaurants	$ 1,701,884
Recreation and sports	716,501
Vending and non-store retailers	1,077,291
Mobile caterers	206,636
Total—other commercial	*$ 3,701,312*
[illegible]	[illegible]

Group II: Institutional feeding—Business, educational, government or institutional organizations that operate their own foodservice	
Employee feeding	$ 1,034,926
Public and parochial elementary and secondary schools	3,012,290
Colleges and universities	1,589,280
Transportation	459,256
Hospitals	4,073,118
Nursing homes; homes for aged, blind, orphans, mentally and physically handicapped	1,980,761
Clubs, sporting and recreational camps	838,888
Community centers	427,882
[illegible]	[illegible]
[illegible]	[illegible]
Food furnished foodservice employees (FSE) in Groups I and II	$ 4,744,201
[illegible]	[illegible]
GROUP III: Military feeding	
Defense personnel	$ 1,999,318
Officers and NCO clubs ("Open Mess")	221,782
Foodservice—military exchange	125,505
[illegible]	[illegible]
[illegible]	[illegible]

[1] Data are given only for establishments with payroll

[2] Food purchases only

[3] Food purchases only

**Purchases refer to expenditures by foodservice establishments for their food and drink supplies.*

Part V

Industry sales to reach $164.5 billion in 1984

NRA has updated its 1984 forecast to reflect the better than expected strength of the current economic expansion. In addition, lower menu price increases due to the moderate rate of inflation and modest advances in food prices also contributed to the need for revised projections. As a result, NRA expects the foodservice industry to realize stronger real growth. Rising personal incomes and strong consumer confidence in the economy at the present time and in the near future have also contributed to the brighter outlook.

Another reason for the revisions to the original 1984 forecast is that data from the recently released *1982 Census of Retail Trade* revealed that NRA's eating place sales estimates were somewhat low for 1982 and subsequent years and that our estimates for bars and taverns and retail hosts were slightly high.

Foodservice industry sales are now expected to reach $164.5 billion, an increase of 8.8 percent in current dollars and 4.2 percent in constant dollars. This is substantially higher than the original projection for total sales of $157 billion as reported in the December 1983 issue of ***NRA NEWS.***

Commercial feeding sales are now forecast to reach $141.6 billion in 1984, up 9.2 percent from 1983. Real sales for this group should climb about 4.8 percent compared with the 4.0 percent originally predicted. The Institutional Feeding Group will post sales of $22.1 billion, a gain of 6.0 percent over 1983 sales of $20.8 billion. Military Feeding Group sales should reach $836 million, an 8.1 percent increase.

Eating place sales should now total $103.4 billion as opposed to the original $96.7 billion prediction. In real dollars, the revised numbers show an advance of 5.3 percent, substantially higher than the 4.5 percent real dollar gain initially forecast.

Restaurant and lunchroom sales are expected to total $54.9 billion, well above the $49.9 billion first projected. In current dollars this is a gain of 9.1 percent. The revised real dollar advance equals 4.7 percent compared with the 3.9 percent real dollar gain originally forecast.

Limited menu (fast food) sales will reach record sales of $43.0 billion in 1984. Real sales in 1984 will post a 6.3 percent increase, up from the original prediction of 5.4 percent.

The NRA now expects menu prices to advance only 4.4 percent in 1984, well below the 5.3 percent original forecast. One reason for the smaller menu price increase has been the moderate rate of inflation. Also, the rate of increase in food prices has been declining in recent months after posting substantial advances in early 1984. As a result, foodservice operators have been able to keep menu price increases moderate.

Foodservice industry sales
1983–1984

Food and drink sales ($000)

			Percent change	
	1983	**1984**	**Current dollars**	**Constant dollars**
Commercial Feeding Group	$129,649,457	$141,596,494	9.2%	4.8%
Eating places	$ 94,290,452	$103,436,626	9.7	5.3
Restaurants and lunchrooms	50,361,660	54,928,320	9.1	4.7
Limited menu restaurants	38,831,755	42,978,986	10.7	6.3
Commercial cafeterias	2,588,816	2,806,276	8.4	4.0
Social caterers	837,068	881,433	5.3	0.9
Ice cream, frozen custard stands	1,671,153	1,841,611	10.2	5.8
Bars and taverns	$ 8,336,977	$ 8,903,891	6.8	2.4
Total eating & drinking places	$102,627,429	$112,340,517	9.5	5.1
Institutional Feeding Group	$ 20,852,761	$ 22,095,147	6.0	1.0
Military Feeding Group	$ 772,865	$ 835,697	8.1	3.7
Total industry sales	**$151,275,083**	**$164,527,338**	**8.8%**	**4.2%**

Part VI

Economy affects consumer ability to eat out

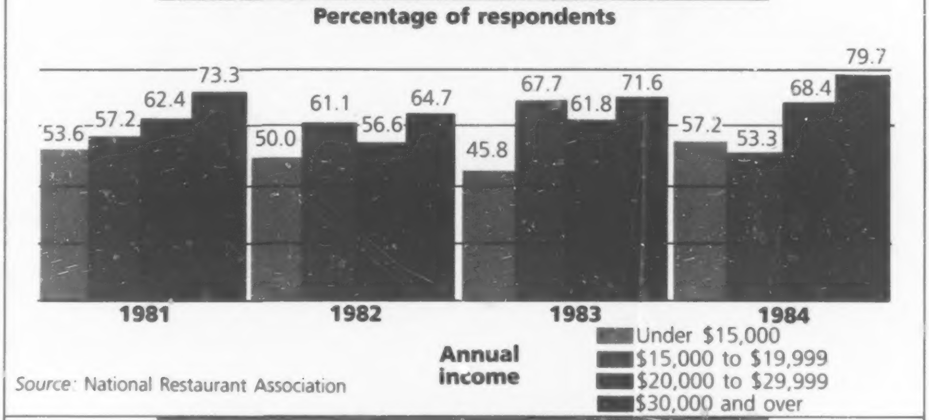
The overall health of the economy has an effect on the ability of consumers to eat out as often as they want. This conclusion is based on results from an annual survey conducted each year in September by the Gallup Organization for the National Restaurant Association. As the economy has improved over the past several years, consumers have become more satisfied with their frequency of dining away from home. This has been especially true in 1984, when a robust economy, moderate inflation, rising real incomes and increased consumer confidence contributed to patrons' ability to eat out more often.

Majority feel they are eating out often enough . . .

Although the market for meals away from home is not yet saturated, increasing numbers of consumers are satisfied with the frequency they are eating out. In response to the question, "On a weekly basis are you eating out as often as you would like?" 67.2 percent said "yes" in the most recent survey—up five percentage points from 62.2 percent in the 1983 survey. This is the first significant increase in positive responses in the four years of the survey. The healthy U.S. economy and consumer confidence in their economic well being are the primary reasons for this improvement in satisfaction with frequency of dining away from home.

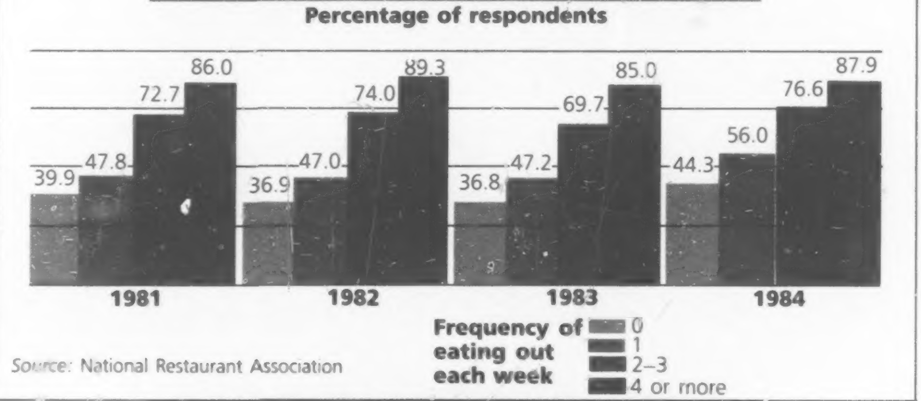
This increased satisfaction is noticeable in all demographic segments. For all

Proportion eating out often enough by income, 1981–1984



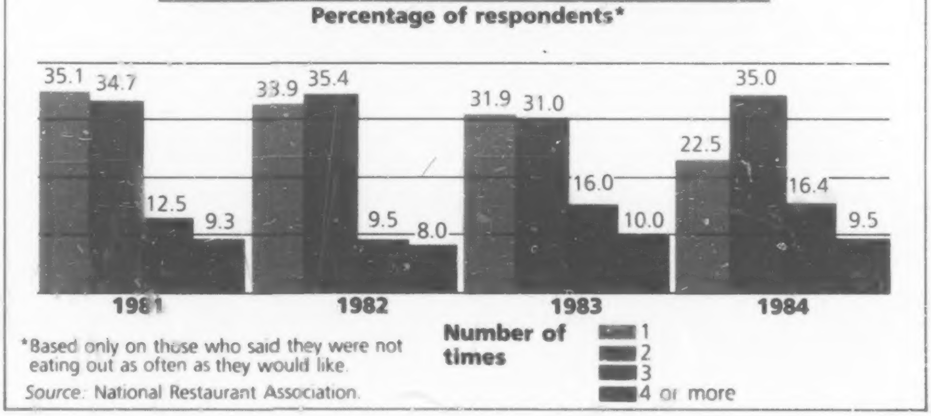
Source: National Restaurant Association

Proportion eating out often enough by frequency of eating out, 1981–1984



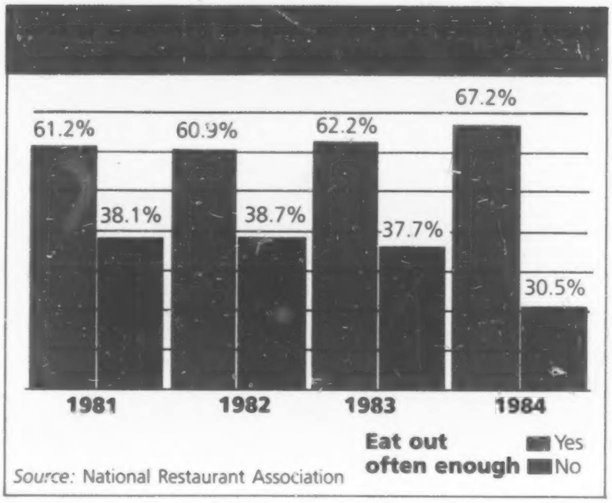
Source: National Restaurant Association

How frequently consumers would like to eat out



*Based only on those who said they were not eating out as often as they would like.

Source: National Restaurant Association.



Source: National Restaurant Association

groups, more than half said they were eating out as often as they wanted. Those who are most satisfied include:

- Men: 71.6 percent
- Those 50 to 64 years old: 71.6 percent
- Two person households: 74.3 percent
- Those with income over $30,000: 79.7 percent
- Women employed full-time: 68.9 percent
- Frequent restaurant patrons: 87.9 percent
- Westerners: 72.2 percent.

Another significant finding from this survey is that demographic groups that cut back on eating out during bad economic times tend to increase their frequency of eating out more rapidly when times are good. The most noticeable increases in satisfaction between 1984 and 1983 were posted for the following groups:

- Women: 63.1 percent versus 54.2 percent
- Households with 3 or 4 members: 65.1 percent versus 58.5 percent
- Non-employed women: 59.0 percent versus 49.5 percent
- Infrequent patrons (eat out once or less a week): 52.0 percent versus 43.9 percent
- Those with incomes under $15,000: 57.2 percent versus 45.8 percent.

Three out of 10 not eating out often enough . . .

Three out of 10 respondents to the recent Gallup/NRA survey reported they were not eating out as often as they would like. Although this is down considerably from 37.7 percent in 1983, it still indicates that the market for meals away from home is not saturated.

By asking those who said they were not eating out often enough to specify how many more times per week they would like to eat away from home, NRA was able to gain a better understanding of the potential market for meals away from home.

The majority of the un-satisfied group would like to eat out one (22.5 percent) or two (35.0 percent) times more a week. An additional 16.4 percent said they would do so three times a week. These proportions have shown some variation over the history of the survey, as shown in the accompanying chart. Interestingly, the proportion of those wanting to eat out only one additional time has dropped as the economy has improved—from 35.1 percent in 1981 to 22.5 percent in 1984. On the other hand, the proportion that wants to eat out three more times has increased—12.5 percent up to 16.4 percent.

Seven out of 10 would like to eat more dinners out . . .

Those respondents who indicated they would like to eat out more frequently were asked what meal they would like to eat out more often if they could. About seven out of 10 said they wanted to eat more dinners away from home versus only 12.3 percent who said lunch and 7.1 percent who said breakfast. This suggests that discretionary dining out, which primarily includes dinner, is the area where patrons want to increase their frequency of eating out.

With continuing economic growth, rising real incomes and consumer confidence in their economic well-being, more patrons will be able to find the means to satisfy their away from home dining desires.

—Cecelia Niepold
Susan Adelman
Bette Hoyt

How the NRA forecast was prepared

NRA's initial projections for 1985, revised projections for 1984 and estimates for 1982 are published here. Comparable historical sales data encompassing the entire period from 1970 through 1985 are being prepared and will be published in a new *Foodservice Sales Panorama* in June 1985.

NRA's annual foodservice industry forecast for 1985 includes both nominal and real percent changes in sales for all industry sectors. Real growth is calculated separately for each market segment. In the case of eating places, the projected percent increase in menu prices is subtracted from the percent increase in sales. For drinking places, it is necessary to make a special estimate of the inflation factor which is weighted more heavily toward alcoholic beverages.

For other industry sectors, such as colleges and universities where expenses are largely determined by food costs, a modification of the Producer Price Index for food is used. Modifications to this index are based on historical patterns for each industry sector. The food cost component thus constitutes the base percent increase, which is adjusted to reflect population changes and other pertinent factors, such as labor and overhead costs.

To arrive at real 1985 sales figures for the total foodservice industry as well as for the Commercial and Institutional Groups, current 1984 sales were multiplied by the respective 1985 real growth factors. The real sales figures for each of these sectors were then added and compared with 1984 sales to obtain overall real growth for the industry and the two major segments.

A word of caution . . .

A word of caution is necessary with all forecasts. Sales projections are based on the best data available in October 1984. If the outlook for general economic conditions or the food situation changes significantly in the coming year, NRA's projections will require adjustment. In addition, the performance of individual companies or sales in local market areas may differ substantially from the U.S. outlook.

COMPUTERS

shave time off inventory management

by Anne Papa

Taking inventory has traditionally been a time-consuming chore. While the advantages of a well controlled inventory cannot be argued, the actual procedure has been a tedious one. As one manager put it, "The last thing you want to do at the end of a long hard shift is sit down and count how many cans of beets are in your storeroom."

Computers are changing all that. Sophisticated combinations of point-of-sale (POS) cash register systems and back office computers are revolutionizing the inventory process. For example, detailed reports enable operators to determine how much of their food dollar is tied up in excess storage, how much is being thrown away, or otherwise unaccounted for, which items move slowly or are good sellers and the quantities of each item required for menu planning.

How the system works . . .

The beauty of a computerized inventory system is that it is able to compare *what is* to *what should be*, according to Dan Gimpel, president of Advanced Analytical Computer Systems of Tarzana, CA. Gimpel's company markets the RESCOP system—Restaurant Inventory Control and Cost Analysis Programs—to foodservice operators across the country. "A completely computerized inventory system actually involves two systems," explains Gimpel. "Both systems are computing the percentage of each dollar that is spent on food—your food costs. The difference is that one system gives your *ideal* food cost percentage, while the other gives your *actual* food cost percentage." By comparing the two, says Gimpel, the foodservice operator is able to determine whether or not an inventory control problem exists.

Although the front-of-the-house POS system plays an important role in the inventory process, it is the back office system which is, as Gimpel says, "the real workhorse." Basically, the back office computer functions as follows: All incoming inventory and sales are recorded into a running computer balance. This procedure is called a perpetual inventory because, at any time the restaurateur can identify how much inventory *should be* in the storeroom and how much *should have been used*. An over/short report is also generated for each item, based on sales and purchases. These projected figures represent the ideal—what should be if all controls are effectively in place.

However, the ideal is rarely found in the restaurant business due to human error (waste, over-portioning) and human indiscretion (pilferage, giveaways). As a result, a periodic physical inventory must be taken to determine *actual* inventory status and food cost percentage. The results of the periodic physical inventory are then compared to the results of the perpetual inventory. The wider the margin between these two results, the bigger the inventory control problem.

So isn't the operator or manager right back where he started, adding and subtracting cans in the storeroom for hours on end? Not quite, says Thomas Purdee, president of Applied Control Systems, Inc., in Chapel Hill, NC, which has developed a software package called FOOD$MANAGER/BAR$TENDER. According to Purdee, the computer does most of the physical inventory. Beginning inventory is stored, ending inventories are logged onto computerized checklists, and the quantity used and food cost percentage are calculated. The operator or manager must continue to count stock on hand, but the tedious processes of figuring and storing inventory results are assumed by the computer.

Just how perpetual and physical inventories work becomes clearer with a closer examination of these systems.

The perpetual inventory . . .

The perpetual inventory is based on a computer-generated sales mix, which provides a detailed account of each menu item by cost and by ingredients. By tracking raw inventory usage and sales of finished product, a sales mix identifies waste, over-portioning and pilferage and provides a profit analysis which projects ideal sales for the entire operation.

Stan Schroeder, owner of two Chicago for Ribs restaurants near Pasadena, CA, explains that in just under two years his system has helped decrease food costs from 52 percent of total sales to 33 percent. "One major reason for that decline is that now I know where everything goes. Every item in the restaurant is accounted for," says Schroeder, an absentee owner who runs both restaurants from his nearby corporate offices.

Not only does the software at Chicago for Ribs track each item sold, it also measures every ingredient that goes into each item. For instance, when a hamburger is served, six ounces of ground beef, one bun, lettuce and tomato garnishes are all individually deducted from inventory. Burnt, spoiled or otherwise unservable food is also recorded by employees and deducted.

"If a recipe calls for 25 pounds of cornmeal, 10 gallons of milk and 20 pounds of flour," says Schroeder, "and the amount of sugar, milk and flour in your storeroom is less than the amount the computer says you should have, you can figure the cook burnt a batch of cornbread and tried to throw it away without telling you about it." Once Schroeder's employees realized how closely the computer monitored each food item, they stopped trying to hide mistakes. All raw or finished goods waste is now automatically recorded.

A sales mix can also be an effective tool in analyzing sales frequency and profit gained on each food item. By comparing food cost percentage with sales value, the foodservice operator can measure each item's worth and increase or decrease his inventory accordingly. At Pane's restaurant in Buffalo, NY, owner John Pane says that before he bought his computer system he was losing money on some food items without even knowing it. "Every time a customer ordered olives on top of pizza," he says, "we were giving money away. Those olives were costing us more than we were selling them for." With the aid of an itemized sales mix, Pane was able to identify high and low cost items, compare them to their sales frequency and plan his menu to get the highest return on his food dollar.

Before computerizing

1. **Shop around.** Check carefully into the background of the company or companies you are considering. Ask for a list of restaurants which already use the software or hardware, and consult those operators.
2. **Make sure your software program fits your establishment, not the other way around.** For instance, food items can be measured according to varying units. One can of fruit could be measured as one ordering unit, 20 serving units, or one-tenth of a purchasing unit (assuming there are ten cans to a case, and fruit is purchased by the case). Make sure the system you choose provides information in the form you can use, without requiring you to make time-consuming conversions.
3. **Make sure your computer is "user friendly."** Don't buy a system that is too complicated for you or your employees to operate. Instructions and printouts should be easily understandable.
4. **Don't forget about your employees.** Your new system could be intimidating to your employees at first. Hold an informational meeting when the system is first installed, and then follow up with demonstrations and training. Emphasize how the computer will benefit them as well.

The periodic physical inventory . . .

Again, the periodic physical inventory is a necessary component of the computerized inventory process. Only through actual, physical assessment of stock on hand can the foodservice operator tell whether the ideal evaluations projected by the perpetual inventory are being met.

Physical inventories should be taken as often as the difference between projected and actual inventory indicates. If the margin between what is and what should be is steadily narrowing over time, that means controls are in place and working. Physical inventories can be taken less frequently. If a problem exists, however, more frequent inventories should be taken. Many operators recommend weekly inventories for costly items, such as steak and lobster, and bi-monthly or monthly inventories for the entire stock.

Dan Gimpel says an organized, methodical physical inventory makes the computer's—and the foodservice operator's—job much easier. That is why he advises that the preliminaries of purchasing, receiving and storing be carefully organized.

The foodservice operator can use the information provided by his sales mix to determine which items to stock heavily and which to purchase less frequently. For instance, the six Legal Sea Food restaurants in Boston, MA, well-known for their fresh seafood, purchase fish twice daily. Slower moving items, such as chicken or steak, are purchased only as needed. In this manner, dollars aren't tied up in excess inventory, and the restaurants rarely run out of high-demand items.

Upon receipt, all food items must be carefully logged to insure accurate inventory results. Each Legal Sea Food restaurant employs at least one full-time receiving agent, who carefully compares weight and volume of all incoming items against their purchase orders. Damaged or spoiled goods never make it past the back door.

To facilitate the inventory checking process, all items should be stored only in assigned locations. All storeroom shelves should be clearly labelled, and similar items (i.e. canned fruits) should be grouped together. When removing items for use, "first in, first out" is a good rule to follow to prevent spoilage. Some establishments, such as Irvine, CA-based El Torito restaurants, stamp color-coded dots on perishable items to identify purchase dates.

If purchasing, receiving and storing systems are well organized, when the actual counting begins, the foodservice operator has little to do. Stock has been kept to a minimum because of the ideal purchasing levels determined by the computer. Beginning inventory has already been stored—and is easily retrieved. The computer has provided an item-by-item checklist of all inventory. And all end results, including usage, costs and food cost percentages, are calculated by the computer.

Of course, accurate documentation of each item is important, and basic rules of thumb still apply. For instance, items should always be first located on the shelf, then marked off the checklist. Items should be counted left to right, top to bottom, to avoid miscounting. And portions of items should always be consistent; "half full" should not mean "one third full" to one person and "three fourths full" to another.

Once these basic procedures are adhered to, however, the operator or manager can sit back and let the computer do the rest. Stan Schroeder of Chicago for Ribs says the entire physical inventory process takes his managers no more than an hour and a half. John Pane of Pane's Restaurant says he has reduced the time spent on inventory by approximately two thirds. And both operators say the results they're getting now are far more accurate than the results they used to get after hours of tedious work. ❑

Editor's Note: *The National Conference on Computers, March 24–27, in Las Vegas, NV, will address inventory control through computerization. For more information, contact NRA's Education Department.*

SWEET SOLUTIONS

Dessert makers dish it out for restaurteurs

by Jill Wechsler

More and more restaurants today are featuring elaborate gourmet desserts—mousse pies, double-chocolate cakes, amaretto cheesecakes, whipped-cream confections—on their menus. But not all have a pastry chef to create such tempting delicacies. Instead, many operators are turning to the growing number of gourmet dessert companies that have emerged in California and along the East Coast.

Several factors are responsible for this trend. First is the rise in demand. There is a growing population of consumers who want to enjoy a quality meal and a memorable dessert.

Secondly, dessert producers are combining their flair for creative baking with a professional attention to packaging, shipping, marketing and service that previously was found primarily at large food processors. There have long been small, local bakers who made wonderful cheesecakes and pies for a few restaurants but didn't know how to expand on a large scale. Now companies that began by serving the local market are developing large-scale, high quality operations. New packaging that makes it possible to "ship a fancy decorated cake across the country and have it arrive in good shape" plus the emergence of "fleets of freezer trucks going from Florida to Maine and out to the West Coast" have made distribution of quality desserts possible, says Alvin J. Meltzer, vice president of sales and marketing for Perfect Endings, which is based in Philadelphia, PA.

Restaurants willing to "buy outside" . . .

The third key factor is the change in attitude at restaurants. The stigma against "buying outside" is fast disappearing as operators realize that the gourmet bakeries provide both consistency and reliability. Some bakeries find that even restaurants with their own pastry chef will purchase some items to expand their menu. "I used to just walk out the door of a French restaurant that did its own baking," comments Andrea Smith, sales manager at Ms. Desserts of Baltimore, MD. Now she asks operators to just try her hazelnut cake. "I find they will supplement their menu with something they know is consistently top quality." This way, Smith adds, the restaurant is covered if the chef quits or the oven breaks down.

As a result, a number of firms have emerged in the past five years providing top quality cakes, pies, muffins and tarts to both restaurants and gourmet shops. Product lines and areas served vary from firm to firm. Turf Cheesecake Corporation in New York City, for example, makes "only cheesecake," comments Peter D. Hoffman, vice president of this 25-year-old company. In the past few years it has added amaretto, mocha chip and black forest varieties, but its plain cheesecake still accounts for 75 percent of sales. Perfect Endings of Philadelphia similarly has a limited product line: bundt cakes soaked in liquor—Irish whiskey, amaretto, Cointreau and Chambord liquor—to yield a long shelf life without refrigeration.

Other companies, including Bubbles Baking of Van Nuys, CA; Country Epicure of Katonah, NY; Delmonico's in Bethesda, MD; and Ms. Desserts of Baltimore, produce long lists of products from muffins to fantastic chocolate creations, with most cakes priced in the $14 to $20 range. Bubbles' founder Judy Geffen points out a variety of popular specialties: rum balls, muffins, a new chocolate trifle cake to be sold through a mail-order house and a new line of gourmet banquet sheet cakes providing 40 individually garnished pieces.

Country Epicure's flagship product is its famous chocolate velvet cake originated by former White House Pastry Chef Albert Kumin, who is now associated with this gourmet dessert firm. La Mousse of West Los Angeles, CA, features its "blackout cake," so called because after eating this nine-pound double-chocolate confection "you black out," comments business manager Joe Filippelli. And Ms. Desserts touts its Great American Chocolate Cake and a prize-winning carrot cake. All gourmet dessert makers emphasize their use of fresh, natural ingredients, avoidance of preservatives and "by-hand" preparation methods.

Products shipped frozen . . .

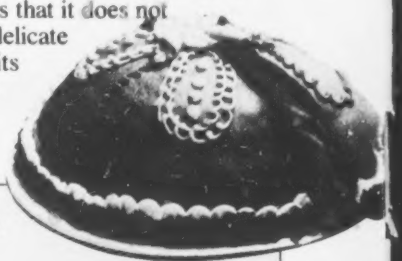
Freezing is required to ship these whipped cream-and-butter laden products beyond the local delivery area. Bubbles' Geffen packs and freezes her products so they will keep up to a year in the freezer and three weeks in a refrigerator. Joan Specter's Desserts of Philadelphia freezes its line of gourmet pies to ship them to 23 states.

Delmonico's President Stan Barches has developed a new vacuum-packed, nitrogen-flushed packaging for his mousse cakes and other desserts to "prevent freezer burn and triple the cake's shelf life." Each dessert is placed in a plastic bag; a machine draws the vacuum, inserts nitrogen and seals the package. The packaging was developed, Barches adds, because he uses so much whipped cream in his products. Even after being removed from the special package, the desserts still have a 12-to-14-day shelf life in the refrigerator.

Although freezer truck fleets enable dessert makers to ship their products cross country, most firms have their own vehicles to service restaurants in their local area. Country Epicure has eight trucks to handle distribution in the New York metropolitan area. La Mousse and Bubbles both distribute to restaurants in their California locales. And, unlike its competitors, Ms. Desserts primarily distributes its products fresh in the Baltimore/Washington area; it is just beginning to freeze items to ship to its New Jersey warehouse, which serves the New York area.

Ms. Desserts is fairly unique in its practice of filling all orders directly and not through distributors. "We call the restaurant the day before delivery and take their order, make the product that afternoon and send it out in refrigerated trucks the next morning," explains sales manager Andrea Smith. Similarly, La Mousse ships directly to its customers and not through distributors, even though its products are frozen and trucked from Los Angeles to such states as Illinois, Florida and Texas.

Restaurants buy by the case, explains Filippelli of La Mousse: The number of cakes per case varies—from six blackout cakes to eight mousses. Because minimum shipments usually require about 750 pounds, La Mousse's distant customers primarily are central restaurant chains with commissaries able to handle large shipments. One reason La Mousse steers away from food distributors is that it does not trust the delicate nature of its products, "to the



Sweet solutions—from the operators' point of view

Although most operators prefer to bake desserts on the premises, it is not always possible or cost-effective to do so. Even when a restaurant does do most of its own baking, it sometimes purchases a few gourmet items to add variety to its menu.

At the Pump Room in Chicago, IL, pastry chefs bake almost all of the desserts served in the restaurant. But the restaurant purchases a few supplemental items, such as a chocolate mousse pie from La Mousse in Los Angeles, CA, because, "Customers like it, and the Pump Room has used this product for years," says Susan Stiles, restaurant manager. "It is very important for us to maintain consistency and give our guests what they expect."

Stouffer Hotels in Solon, OH, also supplements menu items with gourmet desserts in properties that do not have pastry shops. The hotel does not have a companywide policy that identifies specific desserts. Instead, it allows each food and beverage manager or executive chef to make that decision from a group of companies Stouffer has determined meets its standards.

In contrast, the Palm Restaurant in Washington, DC, purchases all of its dessert items from Joan Specter's Desserts of Philadelphia, PA. The restaurant does not have a baker nor a convection oven and management has no immediate plans for expansion.

"We are very satisfied with the quality of the desserts, and we haven't given any thought to baking in-house," maintains Greg Fitzpatrick, restaurant manager. The pies are delivered frozen twice each week, and Fitzpatrick says he has never had a delivery problem.

"It is cost-effective for us to purchase these desserts and our customers agree. They know where these desserts come from, and they appreciate their high quality," he observes.

"It became too expensive to bake in-house for the small amount we sell," says William Watts, assistant general manager of Clyde's, another Washington, DC restaurant. "Our customers' tastes are continually changing, and we want to remain flexible. That's why we are always trying out new desserts for possible inclusion on the menu."

Purchasing from gourmet dessert companies is not always problem free or fool proof. Shipping problems can occur. "Delicate desserts do not hold up well, especially in the summer," explains Herb Hunter, purchasing director of the Marriott Corporation's hotel division in Washington, DC. "When this happens, the distributor cannot always be held liable, and Marriott has to absorb the expense."

And Susan Stiles of the Pump Room reports that, although not a major problem, "there have been some occasions when a shipment was expected and didn't show up until the next day, or 20 cases of chocolate cake were ordered and we received 20 cases of cheesecake instead."

rough-and-tumble distribution process," according to Filippelli.

Small distributors provide service . . .

Country Epicure founder Manny Stern uses distributors to carry his products beyond New York—but only those who will let him train special sales people to handle his products. He finds that distributors need to hold tasting sessions for a restaurant's waiters and waitresses and provide product information for sales to be successful. For this reason, Stern has found he receives better service from smaller distributors, such as Berliner Foods in the Washington/Baltimore area, Sunbelt Foods in Texas and Tivoli Foods in Minnesota. But because he cannot find such service-oriented distributors in many places, he currently is negotiating to establish his own distribution organizations in certain areas. "The typical foodservice distributor is not equipped to deal with upscale products like ours," Stern maintains. "Their sales people are rewarded for volume and for selling the meat and potatoes. There really is not a good distribution network for us."

Other dessert firms echo these sentiments. Geffen of Bubbles works with distributors to keep minimums low in order to serve smaller restaurants, but finds most organizations "won't stop the truck for less than a $250 order." Stephen E. Specter of Joan Specter's Desserts seeks out innovative distributors, such as I. Feldman (Washington, DC), Smelkinson, Sysco (Houston, TX) and Sexton (Chicago, IL), that he feels are particularly good at dealing with an expensive, innovative, upscale dessert.

Ms. Desserts is currently considering the idea of setting up its own distribution plants to handle further geographical expansion because of its dissatisfaction with distributors. "We might try to use a food broker if we can find one that has the same philosophy as ours and will provide customers a lot of service," Smith comments. If not, the company may develop its own representatives to market its products in other areas. Because most distributors require customers to buy cakes in cases of four, Delmonico's Barches developed an "assortment pack" with either four different cheesecakes, four different mousses or four different torte cakes. "This eliminates the restaurant's biggest problem—lack of freezer space," Barches comments. And it enables smaller restaurants to offer variety and a nice display.

Dessert makers provide assistance . . .

Because their products are delicate and because appearance is so important in dessert sales, producers often try to help restaurants improve their methods for handling and promoting their products. Pre-scoring pies and cakes to indicate the appropriate 12 to 14 slices is routine, and some firms pre-slice products if it doesn't spoil taste or reduce longevity. Many supply information on defrosting, slicing, refrigeration and display.

Turf Cheesecake, for example, advises restaurants to leave cakes out for two hours before serving to obtain best results. Hoffman also encourages restaurants to add their own fruit toppings to the plain cakes. Perfect Endings' Meltzer similarly advises chefs to decorate his relatively plain-looking bundt cakes and provides suggestions for the use of chocolate, shaved chocolate, whipped cream and slivered almonds. Meltzer also provides restaurants with menu clip-ons and table tents that come from the distillers of the liquor used in his cakes. These promote the dessert, he points out, without emphasizing that the cake comes from outside.

Smith of Ms. Desserts spends a good deal of time and effort visiting customers to demonstrate how to handle and market her products correctly. "The biggest problem in restaurants is that people don't cut the products right, display them right or offer them correctly to customers," she comments. Geffen of Bubbles recently discovered a "great gimmick"—a high quality plastic model of a cake that "looks better than the real cake" for the restaurant to display. "If cakes are on the menu, one in four customers will order," she states. "But if it's on display and it looks gorgeous, half will buy."

From delis on up . . .

One mark of success for gourmet dessert firms is the wide variety of restaurants that are buying their products, including well-known top quality eateries. In addition to the major hotel chains, which purchase cakes and other items from a number of dessert makers, local restaurants and major chains are found on many client lists. La Mousse's restaurant clients include The Pump Room in Chicago, IL; Chasen's of Los Angeles, CA; Chanteclair of Newport Beach, FL; and Le Club in San Francisco, CA. Ms. Desserts sells to Washington, DC's elegant 1789 restaurant and to the Sheraton-Carlton Hotel as well as to the eateries in Bloomingdale's and to Clyde's in Georgetown. Most customers, however, fall into the "California fern bar" category, Smith comments.

Some restaurants, too, are displaying an innovative approach to marketing gourmet desserts. Taking a creative tack, the Rusty Scupper chain in Maryland and Pennsylvania uses Ms. Dessert's brownies as the base for a brownie sundae dessert.

There are regional preferences. "You can't give peach pie away in Boston," observes Stephen E. Specter of Joan Specter's Desserts. "Up north everyone wants chocolate, so we developed a chocolate pecan pie." Not surprisingly, though, Meltzer of Perfect Endings finds that demand for his company's Irish whiskey cake is greatest in Boston.

However, demand for a certain product is hard to predict. "We made a pina colada cake and thought it would sell well in Florida," recalls Delmonico's Barches. "But it did best in Kansas City." His mousses, which are his most expensive item and difficult to handle, have become his best seller in just six months.

People remember two things in a restaurant, concludes Geffen of Bubbles: an unusual bread basket and a superb dessert. "If these two are great, then you've got them sold." ❑

VIEWPOINT

Voluntary Vs. Mandatory Restaurant Smoking Restrictions

by Victor Rosellini

Regardless of a restaurant's size, cuisine or clientele, restaurateurs nationwide face similar rules and regulations. Health codes and liquor laws are just two of the many areas covered by government regulation. Some restaurant rules are necessary. But some aren't. Today many local and state governments are considering yet another restrictive measure—mandatory no-smoking sections. Personally, I'd prefer to set my own smoking policy.

As a past president of NRA, I know that most restaurateurs oppose further government intervention in the restaurant industry—especially in the form of unnecessary regulation, such as mandatory smoking rules.

Why oppose these laws? Restaurant smoking regulations can be a real nuisance to the busy operator. They can inconvenience customers, force operators to police their own establishments, reduce profits and even result in costly lawsuits.

The voluntary approach is superior . . .

The best way to avoid mandatory smoking restrictions is to beat the regulators to the punch—to institute a voluntary no-smoking section policy. No one wants happy customers and employees more than the restaurateur. And the voluntary approach is the superior approach. There are fewer problems and fewer headaches.

For one thing, mandatory smoking restrictions require enforcement—most likely by the restaurant operator or staff. This places a great burden on operators, sometimes requiring extra staff—"smoking police"—to ensure that customers don't take matters into their own hands. The situation can create unwanted barriers between customers and staff. Customers want friendly, efficient waiters and waitresses, not no-smoking hall monitors.

And don't forget fines. Noncompliance can be expensive, amounting to hundreds of dollars per violation. Take a look at the government regulation in Mountain View, CA. Mountain View restaurateurs are required by law to enforce a local smoking restriction and to inform violators of the provisions of the regulation. Restaurateurs can be fined up to $500 for failure to comply with government requirements.

Voluntary programs work . . .

Most restaurant smoking laws require inflexible no-smoking sections. They must be a certain size, regardless of demand. With a voluntary compliance policy, the sizes or existence of no-smoking space can fluctuate during the day, keeping pace with demand.

The Restaurant Association of the State of Washington and the Southern Arizona Restaurant Association (Tucson), for example, have worked hard to bring members in line with their voluntary programs. And they're working. One Tucson restaurateur reports that he offers a no-smoking section during evening hours only. He finds that customers do not request separate seating during morning and luncheon meals. He is not alone. More than half the country's restaurateurs have adopted the voluntary approach. The result: happy customers, return business.

Another reason to favor voluntarism over government regulation is that such laws set blanket standards that don't take the needs of clientele into account.

Just look at taverns and family-style restaurants. As anyone in the industry knows, the atmosphere in a tavern is entirely different from the atmosphere in a family-style restaurant. The owners of these varied establishments should be able to set their smoking standards, accommodating their own kinds of customers.

Mandatory laws can alienate customers . . .

Mandatory no-smoking laws also can cause other problems. Banquet scheduling, for instance. Under strict government regulation, a restaurant owner might, for example, have to divide seating for a wedding reception into smoking and no-smoking sections to insure that the banquet room arrangement is in line with the law.

Of course, the primary reason to go for voluntary, not mandatory action, is to avoid inconveniencing patrons. Without a flexible, voluntary standard, restaurant owners and managers run the risk of alienating customers by forcing them to wait indefinitely for the section of their choice. Sometimes large parties might have to be turned away because of a lack of smoking or no-smoking space.

By instituting a voluntary compliance plan, restaurant operators can successfully avoid the disruptive situations that go hand in hand with mandatory restrictions. Restaurant owners can voluntarily designate a section in their establishment as "no-smoking," post signs stating that the restaurant offers a no-smoking section and ask customers their preference when they make reservations and/or when they arrive at the restaurant.

This is a service operators can offer patrons at no expense—a service that may prevent customer aggravation and yet another unnecessary government regulation. Mandatory regulations can cause a form of indigestion restaurateurs don't need. ☐

NRA Past President Victor Rosellini owns Rosellini's restaurants in Seattle, WA.

Fisher's Law #58

The Numbers Game

Dealing with numbers need not be the onerous experience some people make it out to be. I have encountered some people who readily admit they become "numb" when it comes to numbers. An early bad experience may be the root cause of such an attitude, but, like everything else, if "numbers" concepts are presented clearly and correctly, intimidating fear factors are minimized. There is nothing really magical or mystical about financial matters; in fact, they're very orderly. I thought you might be interested in some "quick tricks" that can help in selected circumstances.

1. The rule of 72. This is an easy rule to remember when you are interested in knowing either the interest rate (percent) or the time period it takes for a given sum of money to double in size. You simply divide the known factor into 72 to determine the unknown factor. The answer is an extremely close approximation—one that is based on annual vs. semi-annual, quarterly, monthly or other compound interest rate schedules.

Let's illustrate by example. Suppose you have a child who will start college six years from now. You have $20,000 to set aside now, and want to have $40,000 accumulated at the time the child enrolls. The question is, "What rate of return (percent) will you require to cause $20,000 to grow to $40,000 at the end of six years?" The answer, not considering taxation, is approximately 12 percent, determined by dividing the know factor (six years) into 72 to determine the unknown factor (12 percent).

Take another example. Suppose a financial institution is offering an interest rate of nine percent on deposits. If you have $5,000 to deposit now, how long will it take for the $5,000 to grow to $10,000 (taxation not considered)? The answer is approximately eight years, determined by dividing the known factor (nine percent) into 72 to determine the unknown factor (eight years). Note that we're dealing with a single sum that is doubling in size, not a series of sums deposited on a continuing basis.

Let's take one final example. Suppose you have a grandchild born today. As a gift, you deposit $10,000 in a trust account paying 10 percent interest. If the money is allowed to accumulate until the child graduates from college at 22, how much will be in the account (taxation not considered)? The $10,000 will have grown to $20,000 by the time the child is a little over 7 years old (72 divided by 10 percent). The $20,000 will have grown to $40,000 by the time the child is approximately 14 ½ years old (72 divided by 10 percent, 14.4 years old), and the $40,000 will double to $80,000 in another 7.2 years (72 divided by 10 percent). So when the child is 22 (approximately 21.6 years old), there will be approximately $80,000 in the account. (Wow! Thanks, grandparents.) There are tables and charts that can be used to figure out all sorts of financial values, future amounts, present values of future sums and so forth.

2. Capitalization. In financial jargon, this is a fancy word that has several meanings, which can cause some confusion. For example, capitalization can mean recording a cash outlay as an asset rather than as an expense, capitalization can be a synonym for the equity one has in one's business and so forth. Suppose someone said to you, however, "I have an income of $400,000 per year." If I were thinking of selling my business, I'd ask a price based on an eight percent capitalization rate (sometimes called "cap rate." Financial people don't like to use big words, only big numbers). Well, the question, of course, is, "What should the selling price be for the business?" The answer is $5 million, determined by dividing eight percent into the $400,000 income. ($400,000 divided by .08 = $5,000,000.) Looked at another way, $400,000 is eight percent of $5 million. Suppose the person set a 10 percent capitalization factor, instead of eight percent, on that $400,000 income. What would the asking price be? Answer: $4 million. ($400,000 divided by .10 = $4,000,000.) The important point to remember is that the *higher* the cap rate, the *lower* the dollar amount. The *lower* the cap rate, the *higher* the dollar value.

> *"It helps in being successful if you are nimble with numbers."*

3. The base price without sales tax. Sometimes you have to "back into" a price, exclusive of sales tax. For example, in purchasing equipment, vehicles or other assets, naturally it's to your best advantage to negotiate the best price you can. When I feel I'm at that "deal" point, I will often say, "Here's the total I'm willing to pay, *including* sales tax. Now you price it where you have to in order for it to come out." This causes the seller to "back into" the recorded price.

Let's take an easy example. Suppose the sales tax is five percent. The amount the seller will collect from you is 100 percent (sales are always 100 percent) *plus* the five percent the seller is required by law to collect from you for sales and use tax, or, in other words, the seller will collect a total of 105 percent. If I said, "We have a deal for $10,500 including sales tax; if you want it, you price it out," the seller would quickly divide $10,500 by 105 percent since the $10,500 *includes* the five percent sales tax. The seller quickly arrives at a selling price of $10,000 ($10,500 divided by 1.05 = $10,000). This is readily verified, since a five percent sales tax on a $10,000 piece of equipment is $500.

The principle applies, of course, irrespective of the numbers. The important point to remember is that if you have to "back into" a sales price, *divide* the total amount of money involved by 100 percent *plus* the amount of the sales tax (i.e., a total of 105 percent, 106 percent, 107 percent, etc., depending on what the sales tax percentage is).

Well, so much for this. It's time for Fisher's 58th law: **"It helps in being successful if you are nimble with numbers."**

THE BOARD ROOM

Machus unveils 1985 forecast during New York City press conference

NRA President Harris O. Machus announces NRA's forecast for 1985

At a November 13 breakfast press conference in New York City, NRA President Harris O. Machus (Harris O. Machus Enterprises, Birmingham, MI) predicted that 1985 would be the fifth consecutive year of real growth for the foodservice industry. (See complete forecast in this issue)

Machus told the 20 representatives of the consumer and trade media assembled for the event, "1985 marks a high point in foodservice history. It will be the industry's fifth consecutive year of real growth and the third consecutive year of strong sales." Machus predicted that foodservice industry sales would reach $178 billion next year, an increase of $13 billion over 1984 and a 3.2 percent increase in real sales.

Though a slower increase than the four percent real sales advance recorded by the foodservice industry in 1984, Machus viewed the expected stable growth positively. He tied 1985's good but slower growth to the cyclical nature of the nation's economy—a leveling off that economists claim will safeguard the nation against inflation and higher interest rates and lay the groundwork for future sustained growth.

"Consumers will continue to experience gains in their real incomes next year," Machus said. "A good proportion of those gains will be spent on meals away from home, but the increase in consumer expenditures for food away from home will not be as marked as in 1984."

Following the presentation, President Machus and NRA Executive Vice President William P. Fisher accepted questions from members of the media, which included the editors and journalists of leading trade journals and representatives from WABC and WCBS Radio, the *New York Daily News*, *Newsday* and *Money*.

NRA discusses sulfites on network news

NRA Vice President Ted Balestreri and NRA Executive Vice President William P. Fisher are interviewed by CBS Network News for a broadcast on sulfites. The segment aired nationally on the Oct. 15, 7 p.m. CBS Network News.

Balestreri and Fisher speak at Southeastern Hospitality and Foodservice Show

NRA Vice President Ted Balestreri (Sardine Factory, Inc., Monterey, CA) and Executive Vice President William P. Fisher were key speakers at the recent Southeastern Hospitality and Foodservice Show, sponsored by the Georgia Hospitality and Travel Association (GH&TA). This annual event drew 10,000 attendees from the hotel, motel, restaurant and travel industry to the Georgia World Congress Center in Atlanta from October 16–18, 1984.

In his speech Balestreri discussed the economic outlook for foodservice, trends shaping the eating-away-from-home market and major challenges that will confront the industry in the future.

"As vice president of the National Restaurant Association I have a chance to view the industry from a national perspective," Balestreri said. "The outlook is good and getting better. . . . According to the U.S. Department of Labor, consumer expenditures in restaurants have almost doubled in the last 20 years. If you add institutional sales, Americans now spend 37.9 cents out of every dollar on meals away from home. Experts say that this figure will continue to rise."

Machus accepts award for NRA

NRA President Harris Machus accepted an award by the Department of Health and Human Services in recognition of NRA's program to encourage the employment of persons with disabilities in the foodservice industry.

Assistant Secretary Dorcas R. Hardy made the award at the October meeting of the Michigan Restaurant Association attended by more than 350 members.

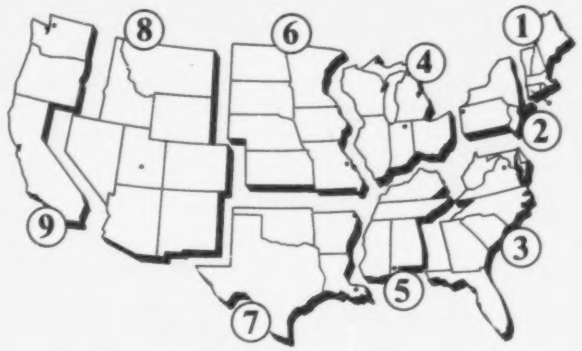
The Assistant Secretary praised the outstanding response that the foodservice industry has given to the national programs for the training and employment of qualified persons with handicapped conditions.

—Dorothy Dee

How's business?

by Cecelia Niepold

Overall, restaurateurs seem optimistic about the upcoming year and positive about their establishments' accomplishments in 1984.



①
NORTHEAST

Location: Marborough, CT
NRA member: Jay Shea
Operation: The New Sadler's Ordinary
Profile: Fullservice restaurant
In business: 5 years
Seats: 70
Meals served: Lunch, dinner

Business continues to grow every year, says **Jay Shea,** owner of The New Sadler's Ordinary. The local economy is "fantastic" due to Marlborough's proximity to the bustling city of Hartford.

Sadler's Ordinary is named after a stagecoach waystation that actually operated in the area during the 17th century. The present day Sadler's is located in a reproduction building Shea designed to recreate the hospitable ambiance of an old inn. The restaurant, much like the original waystation, offers friendly service, a bakery and even information for travelers.

Shea has developed ways to use the menu to boost exposure and build traffic. Customers are encouraged to take the menus, which look like newspapers, home with them.

Shea is optimistic about 1985 and is considering opening a second restaurant with a colonial atmosphere in a restored old inn.

②
MIDDLE ATLANTIC

Location: Conneaut Lake, PA
NRA member: Dennis Taxacher
Operation: The Original Strudel Factory
Profile: Two bakery, deli and ice cream shops
In business: 9 years
Seats: 30
Meals served: Breakfast, lunch, dinner

Business is good in Conneaut Lake, a seasonal area about 100 miles north of Pittsburgh, according to **Dennis Taxacher,** co-owner of The Original Strudel Factory. The restaurants' signature item is strudel, of course, and Taxacher believes increasing consumer interest in upscale desserts and high quality foods has contributed to the growth of his business.

The Original Strudel Factory is designed to look like an old Swiss chalet. Furthering the European theme are imported gift items, such as beer steins, for sale throughout the store.

Many customers are curious about how strudel is prepared so Taxacher has provided an area where patrons can watch the different phases of preparation.

③
SOUTH ATLANTIC

Location: McLean, VA
NRA member: Ralph Evans
Operation: Evans Farm Inn
Profile: Colonial restaurant, shops and farm
In business: 45 years
Seats: Dining room—230; pub—86; banquet—334
Meals served: Lunch, dinner, Sunday brunch

Business for the fiscal year ending in September was up slightly, and so far the fall business looks good, says **Ralph Evans,** NRA director and president of Evans Farm Inn.

Located on a 40-acre working farm 10 miles from the White House, Evans Farm offers sophisticated dining in a country atmosphere. Diners are offered American and continental specialties in a hospitable colonial atmosphere. Servers wear early American finery.

Evans Farm patrons are encouraged to enjoy the bucolic setting by wandering around outside and watching the many farm animals. Several small shops are also located on the grounds, including a craft shop, a country store, a doll shop and an area where fresh produce and specialty items, such as homemade relish, are offered.

④
EAST NORTH CENTRAL

Location: South Bend, IN
NRA member: James Hendricks
Operation: Toasty Shop
Profile: Family restaurant
In business: 35 years
Seats: 125
Meals served: Breakfast, lunch, dinner

Business has increased during the last year, says **Barbara Hall,** manager of the Toasty Shop. A central location, new office buildings nearby and a reputation for fast service at lunch have helped boost sales.

The Toasty Shop has a broad menu that changes to keep pace with popular national trends. Hall's major concern, though, is keeping up with customers' tastes. For instance, the restaurant tried a few Mexican items, but customers didn't seem to like them. So, they were dropped from the menu. Croissants, however, have become very popular with patrons, and they are now part of the soup and sandwich special.

⑤
EAST SOUTH CENTRAL

Location: Mobile, AL
NRA member: Tom Burke
Operation: Wintzell's Oyster House

Profile: Full service restaurant
In business: 7 years
Seats: 270
Meals served: Lunch, dinner

"The economy in Alabama seems to be lagging the national economy," says **Tom Burke,** owner of Wintzell's Oyster House. Unfortunately, the World's Fair didn't do much to boost local business either.

The Oyster House covers a whole city block in downtown Mobile and is particularly well known for its oysters on the half shell. Like many cities, the downtown area has seen better days, but revitalization efforts seem to be paying off.

Burke's plans for the future include a possibie unit in a downtown shopping/theme center scheduled to open in 1986 and several small restaurants in the quickly growing western part of town.

6

WEST NORTH CENTRAL

Location: St. Louis, MO
NRA member: William Saigh
Operation: Lettuce Leaf, Inc.
Profile: Six light menu eateries
In business: 8 years
Seats: 110
Meals served: Lunch, dinner

"Business has picked up eight to 12 percent from last year," says **William Saigh,** director of Lettuce Leaf, Inc. Saigh, a former marketing professor, started the company while on sabbatical eight years ago. The business flourished and now includes six units.

Saigh anticipated customer desire for healthy, light foods and based his concept on unique entree salads. The menu now includes 16 different salads, a limited sandwich line, fresh soups, quiches and a few unusual desserts.

When he first started, about 80 percent of his customers were women, and 20 percent were men. Now the ratio has switched to 55 percent women and 45 percent men—an indication of the growing popularity of lighter foods.

One of Saigh's major marketing tools is a large case that displays all 16 salads to show customers the variety of combinations. "It takes up some space, but it's worth it because it alleviates extra information on the menu, speeds up ordering time and increases chair turns," he maintains.

7

WEST SOUTH CENTRAL

Location: Baton Rouge, LA
NRA member: Ilio Espanol
Operation: Prince Murat Inn
Profile: Hotel with a restaurant and coffee shop
In business: 12 years
Seats: 158
Meals served: Breakfast, lunch, dinner

"Business has been good," says **Peter Voight,** general manager of the Prince Murat Inn—a 300 room hotel with a gourmet restaurant and a coffee shop. Unfortunately, though, the World's Fair didn't bring in as much extra business as operators had hoped.

A challenge that most hotel restaurants face is appealing to both local patrons and visitors: developing a specific identity to attract local customers and providing a variety of tastes for hotel guests. Voight has tried to meet this challenge by developing a reputation for Louisiana seafood specialties and by offering a combination of American, Creole and continental dishes favored by his local patrons.

Future business prospects include a possible drop in corporate business due to the slowdown in the petrochemical industry and growing restaurant competition in the area.

8

MOUNTAIN

Location: Bicknell, UT
NRA member: Cula Ekker
Operation: Sun Glow Cafe
Profile: Family restaurant
In business: 18 years
Seats: 80
Meals served: Breakfast, lunch, dinner

Business has been good in Bicknell—a small ranching area located near several national and state parks, according to **Cula Ekker,** owner of the Sun Glow Cafe. This summer was especially good; a lot of people were traveling, she says.

The Sun Glow serves everything from sandwiches to steaks, but is particularly well known for Ekker's exotic pies. It all started when she attended a seminar that suggested offering a dessert menu to increase sales. She created one, offering unusual pies that have just about doubled dessert sales.

The pies are definitely different. They include a peanut butter pie, a sweet pickle pie that tastes like mincemeat and a pinto bean pie that tastes somewhat like a pecan pie. Not surprisingly, the pies have aroused a lot of customer interest. Often Ekker will trade her unusual recipes for other equally surprising combinations. For example, she exchanged her sweet pickle pie recipe for a buttermilk pie concoction that tastes like lemon custard and recently received directions for a sauerkraut cake.

9

PACIFIC

Location: Snoqualmie, WA
NRA member: Dick Byrd
Operation: Snoqualmie Falls Lodge
Profile: Fullservice restaurant
In business: 55 years
Seats: 130
Meals served: Breakfast, dinner

Business is up 12 to 15 percent from last year, and the overall area is doing exceptionally well, says **Dick Byrd,** director of operations at the Snoqualmie Falls Lodge.

The lodge is located in a small logging town 45 minutes from Seattle. The view alone is special, overlooking a magnificent 268 foot waterfall and distant snow capped mountains. The atmosphere is comfortably rustic, complete with two fireplaces.

For breakfast the Snogualmie Falls Lodge offers a five course "farm breakfast," including 15 to 20 fresh fruits and old-fashioned favorites like oatmeal and pancakes—all served family style. The dinner menu features regional specialties, such as fresh venison, pheasant, duck and seafood.

Due to popular demand, the restaurant has developed a gift products line, that includes homemade preserves, honey biscuit mix and other specialties.

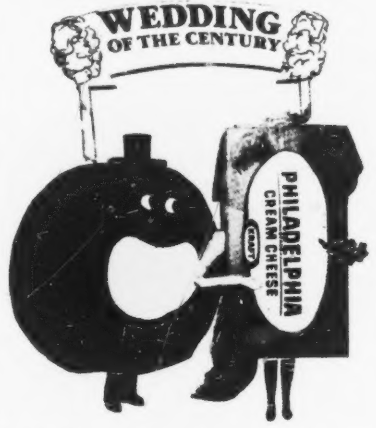
Byrd believes 1985 will be a good year—especially since Washington state has begun to promote tourism.

FOOD FOR THOUGHT

Mazel Tov!

Miss Philadelphia Brand Cream Cheese of Chicago, IL, became the bride of Mr. Lender's Bagel of New Haven, CT, on Saturday, September 15, 1984. The wedding, held at the Innisbrook Resort Hotel in Tampa, FL, was attended by brokers and key executives of the Kraft and Lender families.

The ceremony, which was held to symbolize the sale of Lender's Bagel Bakery, Inc., to Kraft, Inc., included eight-foot-high replicas of Kraft and Lender's products marching down the aisle. The bride was attended by Miss Soft Philly, her maid of honor, and Miss Kraft Velveeta, Miss J.L. Kraft Select, Miss Kraft Singles and Miss Kraft Parkay. The bridegroom's brother, Mr. Lender's Plain, served as his best man.



Following their honeymoon, the newlyweds will be at home in frozen food and dairy cases across the country.

—Lender's Bagel Bakery, Inc.

'Tis the season

The holiday season means good food, good friends, good cheer—and a good time to share with the less fortunate. The recent generosity of two restaurateurs provides an inspirational introduction to the season of giving.

In Wareham, MA, at the Wagon Wheel Restaurant, needy people were served a free lunch of roast beef and mashed potatoes, or haddock in Creole sauce, for two weeks in November. "People didn't believe it," says owner Ralph Golio. "They'd call and say it must be a gimmick. But I'd tell them to believe and come down." Golio, who survived a heart attack in June, says it doesn't matter that the giveaway cost him about $160 a day. "I'm paying for my life," he avows.

And in Nashville, TN, restaurateur Mario Ferrari recently treated four homeless men to a steak dinner at his posh restaurant, Mario's, at a cost of $150 per person. "I found these men going through our garbage looking for food," explains Ferrari. "I thought, 'My God. How terrible.' They deserve a good meal." Ferrari joined his four new friends for dinner.

—USA Today

Ice cream—the universal language

The American ice cream with the Danish name is making a big hit in Japan. That's according to Colleen Kinney Dorfman, public relations consultant to the New Jersey-based Haagen-Dazs Co. Pillsbury Co., of which the super-premium ice cream company is a subsidiary, set up a joint venture this fall with a leading Japanese company to market the product in Tokyo.

"Sales are doing incredibly well," says Dorfman. She says the high purchase price—$4.00 buys a pint—is offset by the relation of the dollar to the yen. Tokyo joins Singapore and Hong Kong as the third foreign city where Haagen-Dazs is sold.

The five ice cream flavors which are enticing Japanese palates are vanilla, strawberry, rum raisin, Swiss almond chocolate and coffee chip. The biggest seller? "Vanilla, of course," says Dorfman.

—NRA News interview

Say it with . . . cookies

Your best friend just got a promotion. Your son scored the winning touchdown in Saturday's game. Your niece landed the lead in the school Christmas pageant. Hugs from Home, a Chicago-based mail order company, has the perfect congratulatory gift item—one dozen "long-stem" chocolate chip cookies. The freshly baked cookies, complete with cardboard stems and ribbon leaves, are delivered in a florist's box to any place in the United States for $25.

Flowers never tasted so good.

—USA Today

American diner survives its era

The kids who hung out at Baltimore's Fells Point Diner in the late fifties, eating french fries in gravy and exchanging Colts trivia, little imagined that one day the diner would be famous and its menus collectors' items.

Fells Point Diner reached stardom when it became the location and focal point for the 1982 movie "Diner." Although Baltimore's newest landmark is now closed, in September it will reopen as "The Kid's Diner." A series of events promoting its reopening will include the sale of 500 of the Fells Point Diner's original menus.

"The Kid's Diner" will be staffed by vocational education students as waiters, cooks and accountants, providing a restaurant training ground for high school seniors. The $350,000 project was funded totally by contributions.

—The Washington Post

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Troubles with Charlie

How many times have you heard someone say, "Old Charlie sure knows his operation. You can always find him in the kitchen, talking with a supplier or helping out in the front of the house. He knows where every penny goes."

The trouble with good old Charlie is that he may know where the pennies are going, but does he know where his business is going? Or does he know where his competition is headed? Does he know how far the industry will progress next month or next year?

The average attendee of NRA's National Conferences *knows* that the more successful, experienced foodservice professionals he exposes himself to, the more his business will benefit.

Member $495
Non-Member $595

Register or request for information on this conference by filling out the coupon between pages 40–41 of this issue of NRA News.

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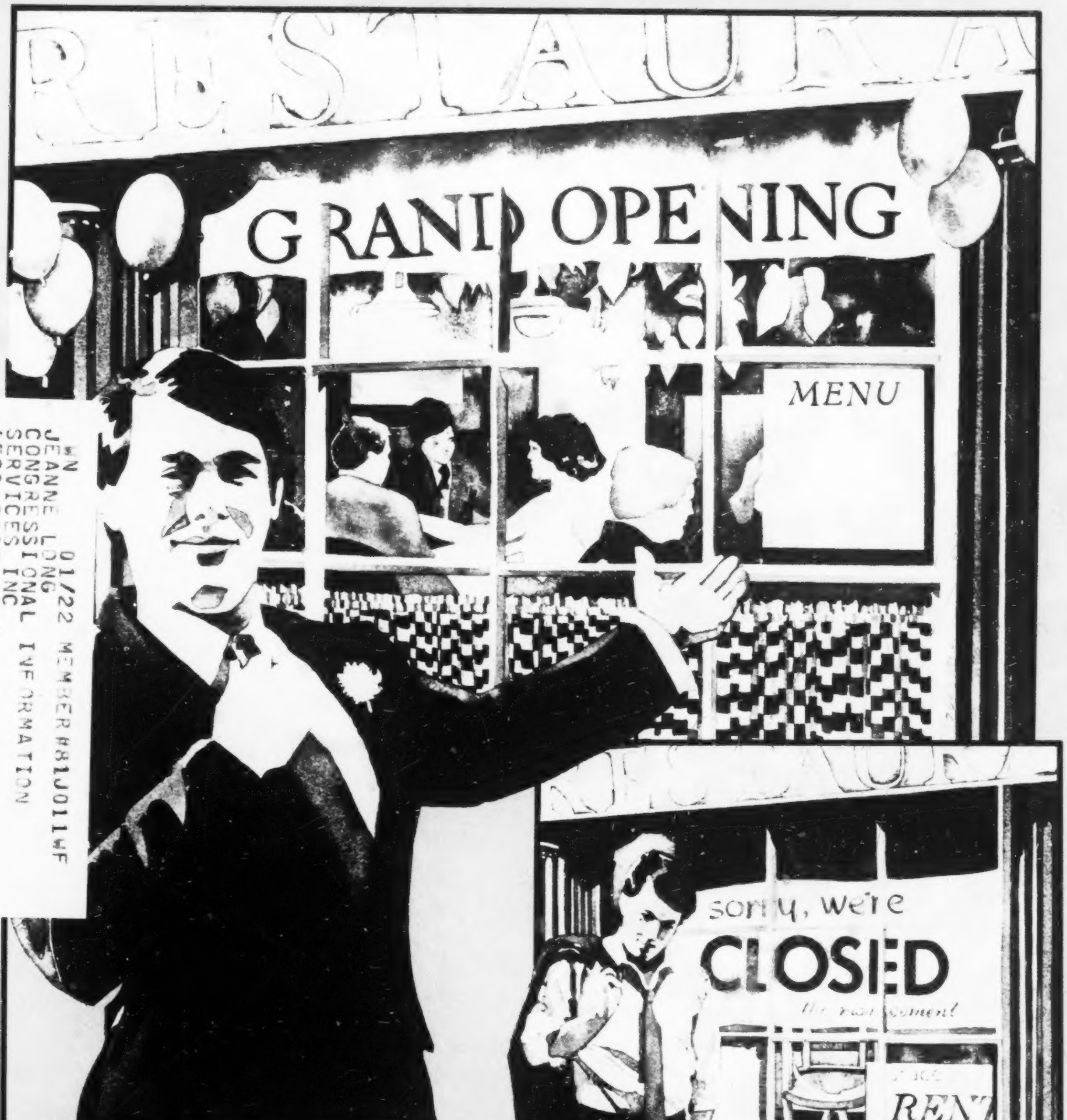
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NRA MEETINGS

Seminars

Basic Foodservice Courses

Basic Supervision in Foodservice

2/26	Covington, KY
3/5	Kansas City, MO
4/9	Wilmington, DE

Dining Room Management

2/12	Dallas, TX
2/13	Salt Lake City, UT
2/19	Los Angeles, CA
3/13	Cherry Hill, NJ
3/20	Reston, VA
4/3	Des Moines, IA

Increasing Foodservice Productivity

2/18	Los Angeles, CA

Kitchen Management

2/13	Springfield, VA
3/5	Allentown, PA
3/7	Providence, RI
3/19	Rockville, MD
3/21	Rochester, NY
4/2	Burlington, VT
4/4	Manchester, NH
4/9	Atlanta, GA
4/10	Houston, TX

Opening a Restaurant: Before You Start Cooking . . .

2/26	Rochester, NY
3/12	Indianapolis, IN

People-Power and Profits (Replaces Controlling Labor Costs)

3/27	Oklahoma City, OK
4/10	Cleveland, OH

Tools for Training

2/11	Dallas, TX
2/26	Springfield, MA
2/28	Baltimore, MD
3/19	Knoxville, TN
3/21	Louisville, KY

Food Production Courses

American Regional Cookery

2/5	Atlanta, GA

The Pantry: Prep for Profit

2/18	Los Angeles, CA
2/20	Seattle, WA

Perfecting Your Culinary Skills

2/19	Los Angeles, CA
2/21	Chicago, IL
3/19	Portland, OR
3/21	Seattle, WA
4/2	St. Louis, MO

Simplified Baking Workshop

2/12	Dallas, TX
3/26	Wichita, KS
3/28	Minneapolis, MN

Soups and Sauces

2/11	Dallas, TX
2/13	Oklahoma City, OK
3/12	Meadowlands, NJ
3/14	Detroit, MI

Foodservice Management Courses

Creative Merchandising Techniques

2/27	Las Vegas, NV
3/6	New Orleans, LA
3/13	Concord, NH

Food Cost Management

2/19	Columbus, OH
2/21	Long Island, NY
3/25	Toronto, Ontario, Canada
3/27	Edmonton, Alberta, Canada
4/9	Lancaster, PA
4/11	Portland, ME

Hospitality Workshop

2/6–7	**Full Service** Nashville, TN

Location! Location! Location! How to Successfully Negotiate and Finance Your New Operation

3/6–7	Dallas, TX
4/1–2	San Francisco, CA

Menu Development

3/10	Washington, DC

Off-Premise Catering

2/11–12	Dallas, TX
3/25–26	Philadelphia, PA

Operational Analysis

2/26–27	Las Vegas, NV

Planning & Implementing Restaurant Marketing Strategy

3/19–20	Boston, MA

Restaurant Design & Facilities Planning

2/18–19	Los Angeles, CA
3/4–5	Tampa, FL

Conferences

3/24–27	**National Conference on Computers in Foodservice** Las Vegas, NV

Please note that registration fees have been reduced for the Basic Foodservice Courses.

For more information, contact:

NRA Education Programs
311 First Street, N.W.
Washington, DC 20001
800-424-5156 or (202) 638-6100

STUDY GROUP MEETINGS

Labor Relations

February 5–6	Orlando

Market Research

April 10–12	Washington, DC

Financial Officers

April 10–12	Palm Springs

Tax Executives

April 10–12	Palm Springs

EDP

April 16–19	San Diego

Internal Audit

April 30–May 3	Lake Tahoe

Foodservice Purchasing Managers

May 15–17	Chicago

MAECO

May 15–17	Chicago

Marketing Executives

May 15–17	Chicago

For more information on specific study groups, contact Philip Kralovec, (312) 853-2525

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Editorial Typists
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Editorial offices
and NRA headquarters
311 First Street, N.W.
Washington, DC 20001
(202) 638-6100

Chicago offices
One Park Place, Suite 2000
Chicago, IL 60601
(312) 853-2525

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PRESIDENT'S REPORT

Harris O. Machus
President and Owner
Harris O. Machus
Enterprises, Inc.
Birmingham, Michigan

NRA attacks deduction caps

The new year brings a host of opportunities and challenges for NRA members.

For example, January brought the 99th Congress to Washington, DC. Certain to come up in the months ahead is the Treasury department's tax simplification proposal—which among other things, calls for limiting the deduction on business marketing meals.

In anticipation of this, in October 1984, NRA commissioned Chase Econometrics, a highly respected economic research firm, to study the effects of limiting business meal deductions on our industry and on the national economy. This study shows that the proposed limitation of the business meal deduction would cause a considerable decrease in restaurant sales. Moreover, 140,000 people could lose their jobs during the first year after enactment.

The study also shows that limiting the business meal deduction would actually deprive local, state and federal treasuries of significant amounts of revenue.

How is it possible to eliminate a tax deduction and still lose tax revenue? The answer has to do with the loss of sales and the loss of jobs in our industry.

True, limiting the deduction would mean increased revenue from corporate income tax, but loss of restaurant sales and jobs would mean reduced revenues from sales tax, personal income tax and Social Security tax. It would also mean greater unemployment compensation and welfare payments. These losses, in aggregate, would exceed the gains.

In fact, if the proposal were to become law, the net loss to local, state and federal treasuries would amount to $1.1 billion during the first year alone.

At a time when the federal deficit is a primary concern, it would be counterproductive to change the tax law in a manner that significantly reduces tax revenues and at the same time seriously disrupts an industry which accounts for five percent of the GNP.

A delegation of NRA Directors and staff presented these findings to the Under-Secretary for Tax Policy at the Treasury department on January 9th. NRA legislative representatives are also informing congressmen on Capitol Hill. We need your help. If you have not already done so, please write to President Reagan stating your opposition to this deductibility limit.

NRA voices objections

NRA continues to pursue other legislative and regulatory issues of concern to the industry. NRA staff met with Department of Health and Human Services (HHS) officials to reiterate NRA's objection to mandatory sulfite labeling on menus in foodservice outlets. The Food and Drug Administration (FDA), which is an HHS agency, has not yet announced whether the FASEB report on sulfites will contain such a recommendation.

Meeting in Washington, the Labor Issues Study Group, a committee that advises the NRA Board on employee-related issues, reviewed the serious problems posed by the FUTA provision passed in the 1984 Tax Bill. This provision, which calls for employers to pay federal unemployment tax on all reported tip income, is totally unacceptable to the foodservice industry. NRA is undertaking a campaign for its repeal.

NRA focuses on computers

A notice has just been mailed to you concerning NRA's National Conference on Computers in Foodservice. This three-day conference, to be held in Las Vegas on March 24 through 27, will feature demonstrations of 16 different computer systems and presentations, covering their application to foodservice operations. During those three days you will learn what equipment and software are available and which system is most appropriate for your operation.

Computerization can mean more efficient food and labor cost control, scheduling of employee hours and menu price analysis. It allows you to track customer counts and check averages. If the time has come for you to computerize your operation, the NRA Conference on Computers in Foodservice will give you all the background you need to make the right decisions.

NRA reports on food prices

The next report in NRA's new *Current Issues Report* series will be mailed to each member company shortly. It is a comprehensive study of the food supply outlook for 1985. In general, wholesale food prices will remain relatively stable this year, but due to variations in supply, the price of a few commodities could rise or fall dramatically. You can use this new publication for long-range menu planning.

NRA publicizes industry efforts

Part of NRA's charge is to publicize the industry through the national media. Recent press releases and press conferences have focused media attention on the industry's attempt to help reduce drunk driving. More than 1,300 articles on this subject have appeared in daily newspapers since March 1984, when the association adopted its Alcohol Awareness program. These articles describe both the NRA server training program, now being presented by the state restaurant associations, and the introduction of in-house programs and practices which help reduce DWI. This year your NRA will place approximately 6,000 articles relating to the foodservice industry.

During the past month, 86 members joined NRA. I welcome you to the most prestigious foodservice trade association in the world. Your participation in NRA will make your business grow and make the association more effective in its endeavors on your behalf. We're glad to have you with us.

Sincerely,

Harris

Harris O. Machus
President & Chairman of the Board

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SHORT ORDERS

Great Menu Contest 1985 is under way

Foodservice operators have until February 28, 1985 to enter NRA's Great Menu Contest 1985. Winning menus become models for the foodservice industry. They are displayed at the NRA Restaurant, Hotel-Motel Show in Chicago and in a book of menu reproductions. Winners also receive a plaque for their establishment and stickers to place on their menus to identify them as winners.

This year's entries are to be submitted by owners and managers of foodservice operations under one of the following categories:

1. Restaurant: average check under $5 per person
2. Restaurant: average check $5 to $10 per person
3. Restaurant: average check over $10 per person
4. Institutional foodservice
5. Banquet/catering
6. Specialty (dessert, wine, alcoholic beverage, children's, room service menus).

"Average check per person" indicates payment for a full meal as customarily ordered.

Although most menus will fit into these categories, those that do not can be submitted for honorable mention in one of three "quality" categories:

7. Most imaginative
8. Best design or
9. Greatest merchandising power.

These terms are also criteria for the general judging. Imaginative menus show originality in design, in choice, balance and naming of items and in the coordination of these elements for a novel and striking effect. Well-designed menus demonstrate effective layout, use of color, illustrations, typeface and paper, which combine to present a clean, readable document.

Menus which, through graphic layout, description and appropriate visual strategies draw attention to featured items and entice customers to try additional dishes, will be judged to demonstrate effective merchandising power.

The entry fee for an NRA member is $10 per menu; for non-NRA members the entry fee is $110 per menu. One hundred dollars of this non-member fee can be applied to NRA membership dues. Entries submitted by menu design companies will not be accepted.

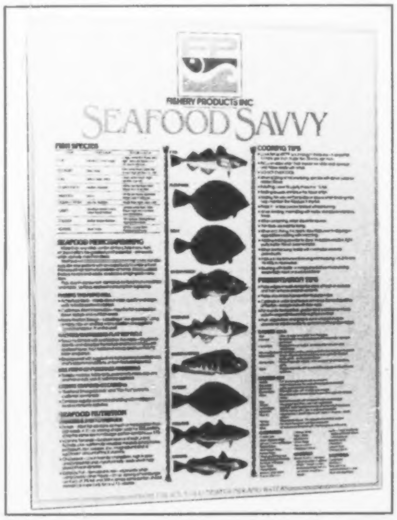
For more information or an entry form, contact: NRA Communications Department, (800)424-5156 or (202)638-6100.

Free seafood poster

Fishery Products, Inc. has created a seafood reference poster to help foodservice operators merchandise their products.

Called Seafood Savvy, this four-color poster illustrates and describes nine species of ground fish. The poster also lists cooking and presentation tips and provides information about seafood nutrition and seafood merchandising.

To receive a free Seafood Savvy poster write Foodservice Marketing Manager, Fishery Products, Inc., 18 Electronics Ave., Danvers, MA 01923.



Fishery Products, Inc. offers a *free* "Seafood Savvy" poster to operators.

International conference for hotel/ catering industry

Personal service in the age of technology is the theme for the 1985 International Training and Personnel Conference for the Hotel and Catering Industry. The three-day conference begins April 2, 1985 at the Cafe Royal, London.

The conference will analyze how to best achieve the proper balance between new technology and personalized customer service. There will be a practical focus and much opportunity to exchange views and experiences.

On Wednesday April 3, there will be a special afternoon session so participants can present papers. These papers must be presented to the conference organizers by mid-February.

For further information and a copy of the conference brochure, contact Philip Moon, Hotel & Catering Industry Training Board, P.O. Box 18, Wembley, Middlesex, HA9 7AP, Great Britain.

Wesson wins first sommelier contest

Twenty-eight-year-old Joshua Wesson took top honors in the First French Wine Sommelier Contest in the United States. Currently sommelier at Huberts in New York City.

There were two runners-up: in second place, Anders R. Westboe, manager of Cincinnati's University Club, and placing third, Mark Hightower, owner of Flagon's Wine Bar in New Orleans.

The contest was conceived by SOPEXA, Paris (the home office of Food and Wines from France) and has been successfully organized for the past several years in Belgium, Japan, as well as in France. Launched for the first time in the U.S. six months ago, the initial announcement drew more than 450 responses from sommeliers of hotels and restaurants throughout this country.

WASHINGTON REPORT

Treasury plan spurs tax reform debate

When the Treasury Department released its tax simplification plan in late November, a national debate began over tax reform. The proposals to completely overhaul the tax code are sure to be a focal point of congressional activity this year.

Several of the provisions in the Treasury's plan would specifically affect foodservice operators, particularly a proposed cap on business entertainment meal deductions. NRA has notified the White House that it opposes any limits on the business meal deduction (see related story in this column).

Treasury's plan is similar to several popular measures offered by those in Congress, chiefly the "FAIR" tax proposed by Sen. Bill Bradley (D-NJ) and U.S. Rep. Richard Gephardt (D-MO) and the "FAST" tax introduced by Sen. Robert Kasten (R-WI) and Rep. Jack Kemp (R-NY).

Most deductions would be eliminated . . .

Like these congressional plans, Treasury's proposal would expand the tax base by eliminating most deductions and would lower individual tax rates. Specifically, the current code's tax brackets of 11 to 50 percent would be collapsed into just three categories—15, 25 and 35 percent—and personal tax exemptions would almost double to $2,000.

In addition, the Treasury plan would reduce the top corporate tax rate from 46 to 33 percent, and it would allow corporations to deduct half of all dividends paid to shareholders.

In exchange for reductions in the personal and corporate income tax rates, Treasury would eliminate hundreds of deductions and credits, including

- the investment tax credit (ITC) and accelerated depreciation system (ACRS) (write-off periods would be stretched out to reflect real economic value, and they would be indexed for inflation)
- the deduction for state and local taxes
- the targeted jobs tax credit (TJTC), energy credits and the expensing rule covering the cost of removing architectural barriers to the elderly and handicapped
- most entertainment expense deductions (club dues, tickets for sporting events, and other similar costs, but not business meals) and
- the tax-free status of most employer-provided fringe benefits, including life insurance and death benefits, legal services, child care, educational assistance and "cafeteria" plans. The income tax exclusion for health care benefits would be limited to $70 a month for individuals and $175 a month for families.

Also, capital gains would be taxed at an individual's regular rate, but the asset's basis would be adjusted for inflation.

Charitable contributions would remain deductible, but only the amount exceeding two percent of a person's adjusted gross income.

At a recent meeting of the NRA Action Task Force in Washington Sen. Bill Bradley (D-NJ) explains how his tax reform bill, the FAIR Tax, would work.

Deductions for mortgage interest on principal residences would be preserved, but deductions on other consumer interest payments would be limited to $5,000.

Treasury's plan is said to be revenue neutral—overall it raises about as many tax dollars as the current system. Some shifts in the tax burden would occur, but Treasury says most individuals would find themselves paying less income tax under the proposed system.

Greater tax liability for business . . .

But business, across-the-board, would have a greater tax liability under the plan, primarily because in recent years various credits, allowances and the ACRS have kept business' average effective tax rate at just 16 percent.

Those sectors said to be hurt the most by the proposal are the highly-capitalized "smokestack industries", such as steel and heavy manufacturing, while the labor-intensive service and high-tech industries are expected to pay fewer taxes under the Treasury plan.

Treasury's goal in proposing specific changes was to stop the tax code from influencing economic decisionmaking. The architects of the plan felt the code's purpose should be simply to raise revenue and not, for example, to encourage investment in certain types of property by providing tax breaks. Thus, all but the most basic deductions have been eliminated in favor of lower tax rates.

Judging from the response of congressional leaders, however, the Treasury's tax simplification plan may not get far in Congress.

Congressional opposition . . .

Both House Ways and Means Chairman Dan Rostenkowski (D-IL) and Senate Finance Committee Chairman Bob Packwood (R-OR) are opposed to the plan. They say deficit reduction legislation must be considered first. Senate Majority Leader Bob Dole (R-KS) also has reservations about tax simplification. He, too, believes the em-

WE'RE COUNTING ON ***YOUR OPINION***

NRA's monthly membership poll tracks your views on important national issues affecting the foodservice industry.

Your reponses to these questions will help NRA represent the industry in Washington.

Question 1. Increase the tip credit?

Since 1966, a portion of tip income has been considered wages for purposes of the federal minimum wage law. Congress reasoned that tips, although not provided directly by the employer, are remuneration and could be counted toward an employer's minimum wage obligations. Congress agreed to a wage credit of up to 50 percent, provided an employer could demonstrate that an employee's tip income was equal to or exceeded the value of credit taken. Legislation enacted in 1977 gradually reduced the maximum federal tip credit to the current level of 40 percent.

Under the law, an employer must pay federal unemployment (FUTA) taxes and make Social Security (FICA) contributions on tip income but *only* on that portion used to satisfy the federal minimum wage.

Beginning in 1986, employers will be required to pay FUTA taxes on *all* tip income that is declared, regardless of the amount. This departure from current policy was brought about by the 1984 Tax Act and may indicate that Congress intends to make foodservice employers liable for payroll taxes (including FICA) on all reported tips. If that is the case, many in the industry believe the tip credit should be restored to its 50 percent level or raised even higher.

■▶ *Pros*—If tip income is treated as employer-paid wages for tax purposes, it should also be treated as employer-paid wages for minimum wage purposes. As employers' tax obligations increase, the tip credit should be raised to offset the higher tax burden.

Tipped employees now receive an average income well above the minimum wage. Employers should no longer be required to pay 60 percent of the minimum.

The tip credit should be restored to at least 50 percent to reflect the employer's contribution to tipping.

■▶ *Cons*—A drive to raise the tip credit may trigger an increase in the minimum wage itself. Because some operators pay their staffs more than the minimum for tipped employees, raising the tip credit would prove to be a costly trade-off.

Raising the tip credit would mean a lower cash wage for tipped employees—in effect, a pay cut.

With a higher tip credit, an employee's cash wages are apt to be exhausted by employer withholding.

Should the tip credit be raised to compensate for higher payroll taxes?

Question 2. Continue to use sulfites?

Sulfiting agents—used as a preservative in processed foods and applied as a freshener on raw foods—have come under investigation recently as mounting evidence indicates they trigger an allergic reaction in certain people, particularly asthmatics. Reported reactions range from hives to coma and even death when foods treated with sulfites have been eaten.

Sulfite-sensitive individuals have reacted to treated foods in restaurants. In some cases, the restaurant had added the sulfites to such foods as fresh fruits or salads; in others, the sulfite had been added by a wholesaler prior to delivery to the restaurant.

Consumer groups have requested that the Food and Drug Administration (FDA) ban these chemicals, but thus far the agency has not moved to stop their use. It has, however, commissioned a review of sulfites by an outside scientific panel. In a tentative report published last October, the panel recommended that restaurants be required to label menus or post signs if they serve foods containing sulfites. Although FDA has not embraced the report, it has amended its state model food code to include retail-level labeling when sulfites are used on fresh foods. Only a few states have adopted these revisions.

■▶ *Pros*—Because only a small number of people are adversely affected by sulfites and because there is no satisfactory substitute for many of its uses, a ban of all uses of sulfites would be impractical. Warning labels or signs notifying the public of the presence of sulfites is one solution. This approach would enable affected individuals to avoid sulfite-treated foods and still allow food processors and restaurants to use sulfites.

■▶ *Cons*—Posting signs or menu warnings would frighten customers who have no need for concern and would supply insufficient information to those who should be concerned. Moreover, accurate labeling would be impossible, for often restaurateurs have no way of knowing if foods have been treated prior to delivery to their establishments. Warning labels for sulfites also may lead to the labeling of other additives—soon whole lists of additives may appear on menus, thus lessening the impact of warnings.

If FDA were to make labeling mandatory, would you use sulfites in your restaurant?

Please respond to the above questions, using the attached postage-paid card.

phasis this year should be on deficit reduction.

Business, labor and community groups have not warmed to the plan either. In an effort to be fair and equitable to all, Treasury's proposal steps on almost every industry's toes, and many powerful lobbying organizations have indicated that they will fight to preserve tax preferences that benefit their constituents.

Unless Treasury's plan is substantially altered, many say it hasn't a chance of passing. Even the White House has kept its distance from the proposal, which several aides have said would alienate traditional Republican allies.

—Jay Morris

New bill increases employer involvement in vocational training

Thanks to a $1 billion vocational education bill signed into law on Oct. 19, 1984, business men and women will have a say in how federal funds are spent in pre-job training.

The new program will tie in with the federal government's year-old Job Training Partnership Act (JTPA), and like JTPA, will involve employers to an extent never before possible under old programs.

The new law requires that a majority of the members on state vocational education councils—and the chairman—come from the private sector. Council members will be appointed by the governor or state board of education and will determine how federal funds are spent.

In addition, technical committees will identify skills and competencies needed in priority occupational areas. These committees will be composed of both employer and labor representatives.

Federal funds to the states will be divided into two parts:

(1) 57 percent must be spent on increasing access to vocational education for persons with special education and training needs, such as economically disadvantaged students, the handicapped, displaced homemakers and single parents and

(2) 43 percent must be spent expanding and improving programs to meet labor market needs.

For further information regarding the new law, contact your state director of vocational education or the National Alliance of Business, 1015 15th Street, N.W., Washington, DC 20005, (202) 457-0040.

NRA surveys tax executives on tax simplification

According to a survey of NRA's tax executive study group, chief financial officers of foodservice companies favor some kinds of tax reform, including proposals found in Treasury's tax simplification plan. Most, however, are opposed to various plans designed to raise new revenue.

The group overwhelmingly opposed the idea of a value-added tax (VAT) as a means of raising new revenue, even if food purchased in restaurants was exempted from the tax.

The majority also opposed an energy excise tax as an additional revenue source, and most did not like a flat 10 percent surtax on corporate income. They also did not like a national sales tax.

If the maximum tax rate for corporations were lowered to 30 percent, a majority of respondents said they could support elimination of the investment tax credit (ITC) and accelerated depreciation (ACRS). But the majority opposed as a trade-off elimination of the deduction for state and local taxes and the capital gains exclusion.

The group was evenly divided on interest expense deductions. About as many were for as against eliminating interest deductions other than for home mortgages (if maximum individual tax rates were lowered to 30 percent).

In addition, most surveyed said they favor giving corporations a deduction for dividend payments to stockholders—in effect, eliminating double taxation of corporate income.

NRA opposes capping business meal deduction

The Treasury Department's tax simplification plan, included a proposed cap on the business entertainment meal deduction of $10 per person for breakfast, $15 for lunch and $25 for dinner. NRA has asked President Reagan to drop the provision.

Sales tax and tips are included in these proposed caps, and 50 percent of any meal cost exceeding its cap would be deductible during a two-year, phase-in period (Jan. 1, 1986 through Dec. 31, 1987).

Treasury estimates that $1.43 billion could be saved by capping the business meal deduction and eliminating most deductions for other entertainment expenses, such as tickets to sporting events and club dues.

In a Dec. 5 letter to the President, signed by NRA Chairman and President Harris O. Machus, the association outlined its reasons for "unequivocally" opposing limits on the business meal deduction.

Many of these reasons are based on a study conducted for NRA by Chase Econometrics.

The study found that limiting the deduction would

- force the closing of some nationally-acclaimed table-service restaurants
- reduce the level of sales of many restaurants, with an adverse ripple effect on federal and state income tax revenue and state and local sales tax revenue and
- disrupt employment in affected restaurants, leading to increased state unemployment compensation and possibly increased welfare payments to dislocated workers.

Overall, Chase predicts the net revenue loss to the federal, state and local treasuries would be $1.1 billion in 1986 and $1.7 billion in 1987.

NRA also believes the proposed cap runs counter to the stated goals of Treasury's proposal—to simplify the code and to make economic considerations rather than tax considerations the basis of business decision-making.

"The decisions made by the business community with respect to expending resources for economic growth should be made free of government intervention and arbitrary limits," Machus said. "Government intrusion into this process through the insertion of these constraining limits could stifle business growth and give rise to questionable practices to circumvent the imposed limits."

Machus also made the point that the proposed cap neither takes into account regional price differences nor indexes for inflation.

NRA encourages members to write President Reagan to express opposition to the Treasury's proposed business meal deduction cap. The White House has said it welcomes comments from the business community on the plan. Any modifications to the plan will depend, to a great extent, on public input.

WRITE TO: The President, The White House, Washington, DC 20500. Send copies of your letter to your congressional representatives and senators. Please copy NRA as well.

NRA testifies against sulfite labeling

NRA testified against sulfite labeling in restaurants before an ad hoc scientific review panel. The panel, composed of experimental biologists, invited responses to its preliminary study on sulfites, released in October. The Food and Drug Administration (FDA) commissioned the study to examine the Generally Recognized as Safe (GRAS) status of sulfiting agents.

Labeling of sulfite-treated foods at the retail level was one of the recommendations made by the report. Reiterating the position it had expressed in a letter to FDA, NRA argued that restaurants should not be required to label menus or post signs when sulfiting agents have been added to foods.

Often, NRA noted, restaurateurs have no way of knowing if sulfites have been added to foods prior to delivery to the restaurant. Labeling would not only be confusing but could also mislead restaurant customers.

NRA proposed that, instead, FDA adopt a targeted, partial ban to combat the hazards caused by sulfites. This ban would be aimed at the application of sulfites to fresh salad ingredients and pre-cut potatoes at both the retail and wholesale distribution levels.

If FDA determines that sulfites are a health hazard to a significant number of people, NRA argued, the agency should remove from the GRAS list those sulfite uses found to be hazardous.

NRA was not alone in rejecting the review panel's recommendation that sulfite labeling be required in restaurants. The Center for Science in the Public Interest (CSPI) joined NRA in terming labeling ineffective. Michael Jacobson of CSPI noted that "labeling cannot adequately protect the public" and recommended that FDA ban all uses of sulfites that are not essential to health.

The Scripps Clinic and Research Foundation, represented by Ronald Simon, also termed labeling impractical. The clinic, which has done in-depth testing of sulfite-sensitive individuals, believes the life-threatening nature of sulfites to be serious enough to warrant some sort of ban.

Also testifying before the panel were representatives from the Grocery Manufacturers of America and the National Food Processors Association. These two groups said that sulfites are not a hazard to most people and therefore should not be banned without additional studies. Both groups emphasized that present FDA labeling requirements are being satisfied by processors and that more extensive labeling of sulfites is unnecessary.

The final report of the review panel is expected to be submitted to FDA by the end of January. FDA will then consider the panel's recommendations and issue regulations governing the use of sulfiting agents.

Change in Senate leadership

Leadership changes for the 99th Congress were completed in December, with a significant reassignment of party posts and committee chairmanships in the Senate and a general reaffirmation of current leaders in the House.

In a heated five-way race for Republican Senate leadership, Robert Dole (KS) was chosen as majority leader to replace Howard Baker (TN), who is retiring to mount a bid for the presidency in 1988.

Dole, renowned for his wit, independence and legislative skill, is expected to be a strong leader who will be unafraid to challenge the administration on controversial issues. A senator since 1969 and a representative for eight years prior to his Senate seat, Dole was the 1976 GOP vice presidential nominee. He is viewed as a probable candidate for the presidency in 1988.

Simpson is Republican whip . . .

The GOP also named new leaders to five other party slots. The most contested election was for Republican whip, a position Ted Stevens (AK) vacated to run for majority leader. Alan K. Simpson (WY), coauthor of the controversial immigration bill that nearly passed last year, was chosen over two of his colleagues for this position.

Other changes included the election of John Chafee (RI) to chair the Republican Conference Committee, Thad Cochran (MS) to serve as conference secretary, William Armstrong (CO) to chair the Legislative Policy Committee and John Heinz (PA) to chair the Campaign Committee. Because several of the more conservative senators lost bids for leadership posts, the new leadership seems tilted toward the party's more moderate wing.

The promotion of Robert Dole, previously Finance Committee chairman, to majority leader began a chain reaction of changes in committee chairmanships. As ranking member on Senate Finance, Bob Packwood (OR) moves into Dole's vacant seat. Packwood, a moderate, is not expected to support any sweeping tax reform package and will most likely oppose any tax increase unless backed by the President.

Lugar heads Foreign Relations Committee . . .

Two other committee chairs will change hands in the 99th Congress. Richard Lugar (IN) was elevated to Foreign Relations Committee chairman when Jesse Helms, pressured by his constituents, decided to continue to chair the Agriculture Committee and not seek the foreign relations slot. This position was vacated when Charles Percy was defeated in his bid for reelection to the Senate.

And, in a move that should not result in any significant changes, Sen. John Danforth (MO) will take Packwood's seat as chairman of the Commerce Committee.

In contrast to the major overhaul on the Republican side, Senate Democrats renewed the terms of their previous leaders. Minority Leader Robert Byrd (WV) successfully turned back a challenge by Lawton Chiles (FL) for the number one minority position. This marks Byrd's fifth term as Democratic leader. Also reelected were Alan Cranston (CA) as party whip and Daniel Inouye (HI) as caucus chairman.

No major changes in House . . .

On the House side, both Democratic and Republican leaders of the 98th Congress were reaffirmed. Thomas P. (Tip) O'Neill (MA) was nominated by acclamation to be Speaker of the House after Charles Stenholm (TX), a conservative, abandoned his challenge to O'Neill. This will be O'Neill's fifth and final term as speaker, since he has announced he will retire at the end of the 99th Congress.

The Democrats also reelected Jim Wright (TX) as majority leader. O'Neill and Wright then appointed Thomas Foley (WA) as majority whip and Bill Alexander (AR) as chief deputy whip. Richard Gephardt (MO) was elected as Democratic caucus chairman to replace Gillis Long (LA), who was forced by party rules to step down after four years as chairman. Succeeding Geraldine Ferraro as caucus secretary is Mary Rose Oakar (OH), who was elected by voice vote.

The House Republicans retained their leadership team of Robert Michel (IL) as minority leader, Trent Lott (MS) as minority whip and Jack Kemp (NY) as conference chairman. Lynn Martin (IL) was chosen to replace the retiring Jack Edwards (AL) as conference vice chairman, apparently the first woman elected to the GOP House leadership.

—Michelle Rabayda

NRA conference focuses on employment opportunities for the disabled

Broadening industry horizons through the employment of people with disabilities was the topic of an NRA conference in November. Human resource personnel of major foodservice corporations joined government and state representatives to discuss the services provided by their organizations.

Dorcas R. Hardy, assistant secretary of Human Development Services, keynoted the conference. She commended the foodservice industry for its leadership as an employer of thousands of trained workers with handicapping conditions. She also pledged that in 1985 her staff would help NRA place more than 10,000 people with disabilities in foodservice jobs.

Other government representatives at the conference included Jack M. Grout, vice president for business liaison for the National Alliance for Business, and Don Coleman, public information specialist with the National Institute of Mental Health (NIMH). Grout reviewed the National Job Training Partnership Act, encouraging corporations to become active in the more than 500 Private Industry Councils (PICs) throughout the country. He also discussed the targeted job tax credit.

Don Coleman discussed the accomplishments of the NRA/NIMH partnership during the last four years. He pointed to the production of three video tapes about employing the mentally restored and two industry surveys to assess the experiences and activities of operators employing persons with disabilities.

Also making presentations were representatives of several foodservice corporations which have successful working programs for employing disabled people. Organizations represented included The McDonald's Corporation, the Marriott Corporation, Morrison's Cafeterias, Naugles, Inc., and ARA Services.

State and city programs were also featured. Virginia's highly organized statewide training program in vocational rehabilitation was well represented as was Kentucky's rehabilitation services effort.

James R. Schmidt, executive director of the Fountain House in New York, described the procedures followed in the Fountain House's community setting. The Fountain House originated the concept of transitional employment, where corporations provide part-time employment for the mentally restored for periods of six months to a year. At present, 45 corporations in the New York City area are involved in the program.

RESTAURANT
ATION

NRA President Harris Machus welcomes Dorcas Hardy, assistant secretary of human development services.

Keep the Law on Your Side

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THE LAW

New interpretation of tip pooling

Tip pooling continues to be a baffling distribution arrangement for many operators. The recent experience of an NRA member in Topeka, KS, however, shows that such arrangements can be approved by the local U.S. wage and hours administrator even if the tips distributed appear to exceed the 15 percent ceiling established by the U.S. Department of Labor (DOL). Because the written approval was made by a local official, however, it should be noted that other DOL administrators may or may not follow the decision.

The arrangement . . .

The NRA member in Topeka is primarily a dining establishment. Of those customers who visit the restaurant's cocktail lounge, 95 percent of them go on to dinner and take their drink tabs with them. Most don't tip their cocktail servers before they move into the dining room. As a result, cocktail servers were disgruntled because they felt they did not receive their fair share of the tips.

The NRA member sought to change this situation by proposing that each food server in the dining room total up nightly the amount of cocktails sold in the lounge on tabs they collected and got tipped for. The server would then give 10 percent of that total to the cocktail servers. Of the tip remaining, 15 percent would continue to go into the tip pool for servers.

Since the establishment operates on a server rotation system, the staff supported such a distribution. Still, the operator feared there might be legal problems in handling tips in this way since dinner servers could argue that they had to give away too much of their tips.

First DOL letter . . .

In its first communication with the NRA member, the area director agreed that the operator's plan was in compliance with DOL regulations.

"You indicate that you intend to set up a plan where cocktail waitresses will be given credit for tips on cocktails served even though the charge is on one ticket which will be to the food waitress's credit. You indicate that this division will be based on a normal split between the cocktails and food and would be *entirely agreed upon by food waitresses and the cocktail waitresses*. This would operate within your overall tip pooling arrangement which provides for 15 percent of tips going into the tip pool.

"The Fair Labor Standards Act as a general rule requires that all employees be allowed to retain all tips. However, this requirement does not preclude a valid tip pooling or splitting arrangement among employees who regularly and customarily receive tips. A valid tip pooling arrangement includes employees who have customarily and regularly participated in tip pooling arrangements, and it cannot require waiters or waitresses to contribute a greater percentage of their tips than is customary or reasonable. We have generally accepted that a contribution rate of 15 percent, which you are using, is permissible. The fact that within the tip pool you take steps to ensure that waiters and waitresses are properly credited with the tips they have earned does not invalidate the pool and, based on the information you have provided, would not violate the minimum wage requirements of the Fair Labor Standards Act."

Clarification sought . . .

When the NRA member received this response, he was concerned about the interpretation of "entirely agreed upon or voluntary." He asked for clarification:

"1. Does it have to be 100 percent agreed upon?

"2. Would a 51 percent majority be considered entirely agreed upon?

"3. Would a signed written statement suffice as proof that the servers agreed to the tip distribution arrangement?

"4. If we present new employees with the system and get them to sign that they agree to work under this cocktail wait split system, does that mean they agree?"

The response from the area director expressed even further support of the tip distribution arrangement. Area Director Terry L. Burger said: "It is my opinion that the tip splitting of the type you describe, which is intended to ensure proper crediting of tips earned by different individuals, does not have to be voluntary. Hopefully, this will enable you to properly establish the tip pool in your establishment."

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Critical Stages in the Life Cycle of a Restaurant

by Maurice P. Minno & Rohit Bhayana

Past statistics have shown that 50 percent of all restaurants fail within the first year of existence, and of those that remain, 33 percent fail within the second year. At any stage during the life of a restaurant, the restaurant may fail. Since failure is an ominous cloud over a restaurant during its life, it is important for restaurant operators to recognize these various stages, as the strategies to combat failure are different in each stage of a restaurant's cycle.

Maurice P. Minno is a principal and Rohit Bhayana is an associate of MDR Associates in Fairfax, VA, a professional hospitality management consulting and commercial kitchen design firm, which regularly assists restaurateurs.

The four stages . . .

There are four stages in the life of a restaurant, each with its own characteristics and strategies for success.

1. **The introduction stage:** The restaurant is created and introduced to the market.
2. **The growth stage:** The concept gains appeal, wins a market share and begins to achieve increasing sales volumes.
3. **The maturity stage:** The restaurant's sales stabilize and customer counts become predictably regular.
4. **The decline stage:** Sales volumes and profit margins begin to plummet and can lead to the closing of the restaurant.

1. Introduction stage

The goal for a restaurant during this stage in a restaurant's life cycle is to establish the restaurant in the marketplace. This is accomplished during the planning stages by activities, such as conducting market studies on the concept's viability and raising capital to tide the restaurant over in the lean period of starting out.

Once the restaurant is launched, it is usually characterized by a centralized management style and by the need to build patronage. Often the restaurant is lead by an entrepreneur who directs all his energy into the restaurant's operation and tries to control all aspects of the business without much assistance.

This tendency toward one-person decisionmaking leaves very little room for input from employees, but the restaurant does not usually suffer from this arrangement since the staff has high "esprit de corps" due to the excitement created by a new restaurant and the exchange with new people and new ideas. To assure high quality service, however, the operator must train the staff and enforce standards by constant supervision.

Operator and employee inexperience often contribute to the restaurant's low profitability during the start-up months. The restaurant can cope with this characteristic drawback in a number of different ways: by limiting the number of items on the menu—making sure there is enough variety to meet the needs and expectations of the intended market segment, by undercutting prices of competitive restaurants; and, most successfully, by getting off to a good start.

A restaurant should not have a grand opening on its first day of operation. The grand opening should only come after the operator is satisfied that his staff can handle an increased amount of business. Allotting time for working out operational kinks will ensure that the initial, crucial visit of each guest will prompt them to return.

When marketing the grand opening, efforts should be directed to people who are seen as influential in the restaurant's market area, such as sports figures, the press and local successful personalities. Creating a memorable experience for them will go far towards stimulating acceptance for the restaurant.

Once the initial operating problems have been worked out, the operator needs to increase advertising and promotion. According to NRA operating statistics, normal expenditures for advertising and promotion are two to four percent of sales. Depending on the restaurant and market area, this figure may need to be increased to five or six percent of sales for the initial months of the restaurant's introduction.

2. Growth stage

During a restaurant's growth stage the operator may be simply satisfied to reap the benefits of his restaurant's growth and slowly slide into the maturity stage. On the other hand, he or she may choose to grow through expansion. The second unit would then begin its own life cycle, benefiting from the operator's experience with the first restaurant and probably reducing the length of time it takes for the second restaurant to flow from the introduction stage to the growth stage.

During the growth stage a restaurant exhibits the following characteristics:

- **Streamlined operations:** Greater and greater operational efficiencies are achieved as the restaurant's staff becomes more comfortable and efficient with the facility and its menu. Management is better able to schedule and project needs as it becomes more familiar with the restaurant's peculiar characteristics. The increased efficiencies are generally reflected in lower costs and subsequently higher profit margins.
- **Refinement of the menu:** As more and more guests frequent the restaurant, the relative popularity of individual menu items becomes apparent, leading to the elimination of unpopular items and the addition of new, possibly more popular, items.
- **Increase in prices:** Prices, which may have been forced too low during the introduction stage to attract patrons, are increased to reflect the

continued on p. 16 . . .

Strategies for each life cycle stage

	Stage			
Strategies	**Introduction**	**Growth**	**Maturity**	**Decline**
Overall thrust	Establish restaurant in the marketplace. Persuade people to try it.	Penetrate larger market segments. Increase sales and profit levels.	Maintain market share. Defend against competitors.	Complete overhaul of concept.
Implementing standards	Constant supervision by operator.	Written standards become increasingly important.	Written standards with constant supervision.	Reimplement forgotten standards.
Pricing	Lower than prevailing market prices to draw people.	Competitive with other similar restaurants.	May need to cut prices to maintain market share.	Prices may be further cut to increase competitiveness.
Advertising and promotion	High expenditures to establish market and attract initial visitations.	Moderate expenditures due to increasing market share and less need for image building.	High expenditures to differentiate restaurant from competitors and market share.	High expenditures to rebuild restaurant image.

Knowing when to buy, renovate or sell a restaurant

Although foodservice appears to be a glamorous business, it is one of the hardest and most vulnerable businesses to be in. Failure rates are high, and hard work and long hours go hand in hand with owning and operating a restaurant.

Getting off to a good start can make a tremendous difference, however. Knowing when to buy a restaurant and being aware of the proper steps to take prior to opening day can be the key to success.

When to buy . . .

The timing of the purchase is crucial. Economic and industry trends must be considered. Interest rates should be low so that mortgages can be obtained at favorable rates. If the economy is doing well, the chances of success increase. Studies show that as their incomes increase, consumers spend a greater proportion of their food dollar on meals away from home.

Industry trends and seasonal cycles must also be considered. For example, the industry slows down in January and February and again in July and August. Therefore, openings should not be scheduled during these months. Instead, these months should be used for building or planning.

Proper planning takes time but this is well recuperated in the long run through increased efficiency. For example, proper kitchen layout is an extremely important factor in achieving top efficiency and standards. It eliminates unnecessary steps and procedures for kitchen and service staff. Preparation and production should proceed in an efficient, sequential order.

When purchasing, ample lead time also is essential. It takes roughly six months to a year to find the appropriate location. A thorough feasibility study is a must and it can take up to eight weeks to complete. Zoning and licensing can add even more time.

It is imperative to acquire enough working capital to carry the restaurant through at least the first crucial six months of operation, although one year of operating capital reserve is a safer cushion.

Before a bank will even consider a loan application, three, five and seven year projections must be developed. This information will, most likely, be contained in the feasibility study. The feasibility study, therefore, serves a multi-purpose function.

The decision to buy and the final restaurant concept will be based on the result of the feasibility study, which analyzes the location, market and competition. The proposed location is evaluated in terms of traffic patterns, accessibility and parking. The market is determined by scrutinizing ethnic backgrounds and the economic status of the surrounding population. These factors and an analysis of the competition help generate projections in potential market demand.

Once the concept is established, it must be carried through the entire facility. An interior design must be chosen that will complement the style of food to be presented and, at the same time, will create a relaxed and enjoyable atmosphere.

The concept also must influence the design of the menu, especially in terms of presentation and style. The menu should be thought of as the "first impression" of the food offered. If the item doesn't *sound* appealing, then the customer's subconscious says that it won't *taste* appealing.

In order to operate a successful restaurant, however, it takes more than a good concept and effective menu. Tight operational controls,such as food and beverage inventory control systems, cash handling systems and standardization of food and beverage preparation and presentation, are imperative.

To summarize, the purchase of a restaurant should be done only after carefully analyzing the economic and industry trends, the location, the price, yearly projections, the timing, the potential market demand and the competition. Like any investment, when to buy is determined by your feasibility study and analysis. The time to buy also depends on your personal financial needs and desires.

When to renovate . . .

Operators realize that food and entertainment trends change almost as quickly as today's fashions.

Knowing when to renovate is sometimes difficult to assess unless restaurant owners stay abreast of industry and market changes. If business seems to be going steadily downhill, a change in concept, with a revitalization of the menu and decor, can bring new life into the business and attract new clientele.

But not all renovations need be drastic departures from what exists. Adding a few new items to the menu can rejuvenate customer interest. Adding plants and trees can create an airy, relaxed atmosphere. Changes in color coordinates, such as new tablecloths, placemats, napkins, dishes and glassware patterns, can also create an impression of change.

Also possible are simple changes to the exterior. New paint color and texture can create the illusion of a brand new building, and the addition of windows or skylights can be another way of fashioning a new look.

In general, decor renovations should be made at least every three years. Menu items, on the other hand, should be changed at least once a year. But in doing so, you must keep up with the latest trends and market changes.

When to sell . . .

The main reason to sell a restaurant is because it's no longer financially feasible or rewarding. A restaurant should be sold once it no longer serves its purpose. If it was used as a tax shelter and no longer has losses or depreciation left, it has outlived its usefulness.

The best time to sell a restaurant is before it starts "getting in trouble," especially since it may take several months to sell. If the demographics around a restaurant are changing and changes cannot be made within the concept or establishment, it is time to sell. This requires an awareness of the restaurant environment—in terms of competition, customer needs, economic trends, market potential and industry changes.

In sum . . .

The restaurant business is very difficult because it is extremely sensitive to changes in consumer tastes. However, if an operator can keep up with these trends, owning a restaurant can be very rewarding.

—Entrepreneur, Inc. (ECI), National hotel/restaurant consultants in Acton, MA.

. . . continued from p. 14

costs of the business and the need to make a profit. Depending on the popularity of the restaurant, prices may be at the same level as the competition or even slightly higher.

- **Increase in competition:** As the market share of the restaurant increases, so does the proliferation of competitors and mimickers—especially if the concept is unique. Competitors hope to capitalize on the concept's popularity through their own restaurant. The restaurant has to combat competition by assuring quality, value and an enjoyable experience for guests.

As might be expected, the strategies a restaurateur should implement during the growth phase are different from those in the introduction stage. They take advantage of the increasing popularity of the restaurant to perpetuate its growth.

Plan more, direct less: As the restaurant's sales grow, the operator needs to step back and begin delegating some of his or her responsibilities. Often a manager is hired who becomes responsible for daily activities, leaving the owner to plan strategies, monitor trends and create new ideas (or open more units) to continue the growth curve. The relinquishing of daily duties is often difficult for the entrepreneur since he or she gains much pleasure in preparing, serving and being with guests and may believe that he or she is the only one capable of operating the restaurant properly. The importance of overcoming these needs and fears cannot be overemphasized. The only way for the restaurant to continue to grow is through this strategy.

Increase documentation of standards: As the operator becomes more remote from the daily business, written standards and procedures greatly assist in ensuring that the restaurant is operated effectively.

Continue to train: As the restaurant grows, the operator may overlook the continued need for training. Yet, the need for training becomes especially important as the staff grows and new employees join the ranks.

Increase selective marketing: During the introduction stage the operator may have marketed toward a variety of people, not really knowing which would be the restaurant's primary market. By observing who uses the restaurant at various times during the introduction stage, however, the restaurateur can develop such basic demographic information as age grouping, sex, profession and ethnic origin of the clientele. Now this information becomes valuable. During the growth stage, the operator can begin to selectively market to the most active market(s) and further reinforce their patronage.

Moderate advertising and promotion: During the growth phase, advertising and promotion can moderate as word-of-mouth recommendations by satisfied patrons become more important. People who frequent the restaurant are often the ones who return with others.

3. Maturity stage

When a restaurant reaches maturity, sales volumes and profit levels generally stabilize as the restaurant has established a position in the marketplace. But there are danger signals operators should watch for during this stage to keep the restaurant from slipping into decline.

Tiring of employees: Employees may become listless and show a general lack of concern as their jobs become routine.

Conceptual obsolescence: Regular patrons are the ones who most often frequent the restaurant; new customers go to restaurants with new menu ideas and new concepts.

Declining standards enforcement: There is a decrease in the enforcement of standards that were imple-

RESTAURANT

How to avoid the decline stage

1. Know your clientele, especially their socioeconomic characteristics (age, education, income level, sex and ethnic origin).
2. Observe and react to changes in the type of people that frequent your restaurant.
3. Read industry publications, attend trade shows and visit new restaurants to stay abreast of trends. Then periodically incorporate these new ideas into your menu.
4. Stay on the "growth curve" by implementing new trends and ideas at the effective time before the trends and ideas become commonplace.
5. Advertise and promote your restaurant to keep the public's awareness at a peak.
6. Keep the enthusiasm level of your staff high by keeping the restaurant fresh and current.
7. Continuously train and retrain your staff to ensure that your standards are understood and being met.

mented during the introduction and growth stages. The standards include both physical maintenance standards as well as operating standards. Typically, as the standards decline, so does the restaurant's business, although the initial decline of standards may not be reflected in an immediate decline in operating profits.

If these danger signals become apparent, an operator can take steps to stop the slide. The primary strategy is to fight against conceptual obsolescence. Renovating the facilities and frequently revising the menu are crucial steps to keeping the restaurant fresh and current and maintaining the enthusiasm and energy of the staff. The operator should monitor trends by reading industry periodicals and visiting new restaurants. Patrons and employees also have many good ideas for menu changes.

Even though it is important to keep regular customers satisfied, the restaurant should attempt to increase its base during the maturity stage. New markets should be solicited, preferably drawing from the customer bases of competitors. This becomes increasingly important if the mix of the restaurant is changing against the general flow of demographics in the area. For example, if the restaurant is currently attracting an older clientele in a neighborhood that is increasingly becoming younger, the restaurant may soon have no patronage.

Finally, it is important to draw from competitors' markets to increase one's own market share. Competing restaurants may also be in the maturity stage, thus increasing the importance of letting the customer know the difference between the operator's restaurant and others.

4. Decline stage

The restaurant that does not attempt to perpetuate and increase its life through current, appropriate change faces decline, leading to eventual death of the restaurant. The characteristics of a declining restaurant are:

Decreasing sales and guest counts: The most obvious characteristics of a declining restaurant are a drop in sales and guest counts. Competing restaurants with new concepts will continue to draw business away from an operation in the decline stage.

Milking of profits: Often, the operator recognizes a decline, and instead of attempting to stall the process, begins to take all profits out of the restaurant. This "milking" precipitates further decline.

Decline of standards: The standards that were beginning their decline in the maturity stage now become apparent in the poor appearance of the facilities, poor service and sub-standard food. The operator's lack of care becomes obvious in the poor attitude of the staff as well. These factors combine to further contribute to the restaurant's decline.

To resurrect the restaurant from the decline stage requires a complete overhaul and renovation of the entire concept. The operator has to make a vigorous effort to reimplement the forgotten standards. Often, though, the operator is not willing or able to go through the rigors of a complete rehabilitation. Instead, he or she withdraws interest from the restaurant, saving his or her energy for a new start elsewhere.

In summary . . .

A restaurant may or may not experience the various stages of the cycle, depending on the strategies that the operator implements. The operator needs to continuously adapt to changing conditions, trends and ideas, while enforcing the standards that made his restaurant successful initially. Through the combination of the two, the decline stage can be avoided. ❑

The life cycle of Johnny Appleseed Restaurants

LOCATIONS: New Market, Fredericksburg, and Richmond, VA; Harrisburg, York, and Bedford, PA.

PROFILE: Six country, rustic style restaurants featuring apple products; plans for franchising into 15 or 20 units by 1987.

IN BUSINESS: Since 1973.

As the story of Johnny Appleseed Restaurants illustrates, a restaurant must revise its approach to standards when it grows. In 1973, the first Johnny Appleseed Restaurant, named after a legendary folk hero, was created and operated by Peter Watts in New Market, VA. The restaurant, located off an interstate highway, appealed to families and especially to children, who were attracted by the 14-foot tall statue of Johnny standing on the outside of the restaurant. In the first restaurant, Watts enforced standards through constant supervision. Watts also did everything from washing dishes to preparing and serving food. His standards stressed three basics: good food, good service and a clean establishment. These basics made a success of the first Johnny Appleseed Restaurant and led to expansion to the second unit in Fredericksburg, VA.

When the second unit was added, Watts began to document standards through written memoranda to his restaurant managers. He would often call together a few servers to decide upon a particular procedure, for example, cleaning salt and pepper shakers, and wrote the procedures in the form of memoranda. Standards continued to be discharged in this manner as the chain expanded. In addition to the standards communicated through memorandums, Watts saw the need to hire a corporate food and beverage director.

As the popularity of the Johnny Appleseed concept grew, franchising was seen as a viable, cost-effective means to continue expansion. The desire to franchise required further documentation of standards to create the continuity and uniformity necessary for franchising. Watts realized that he needed outside expertise to handle the task of establishing new standards and documenting old ones. So, outside expertise was hired to develop operations manuals, training manuals and other tools necessary for the expansion.

The Johnny Appleseed Restaurants case is a good example of the adaptations that were made by a company to meet the needs of its growth. Peter Watts recognized that to continue the success of his concept, steps had to be taken to compensate for his increasing distance from the restaurants.

RESETTING YOUR BODY CLOCK

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by Nancy Friedman

Julie Christopher works split shifts at a gourmet-hamburger restaurant in Los Angeles' Century City and lingers at the bar after work, chatting and drinking. "You get so wound up, you can't just go home and sleep," she explains. "A lot of times, a bunch of us will go out and find a party afterward."

Alberto de la Rosa, a waiter at the Cadillac Bar—one of San Francisco's busiest Mexican restaurants—recently finished two crazy workweeks and is now in the process of readjusting to "regular" hours. "This week has been easy," he confides. "But the last two weeks—that was a different story. I was at our new restaurant training the waiters. I worked 160 hours in two weeks and was going home at four or five in the morning."

Noel DeMello is the resident split shift expert at the Cadillac Bar. He worked only splits when the restaurant first opened and now is scheduled for two per week. DeMello often finds it impossible to switch gears fully between shifts in order to squeeze in that much-needed free time. "Splits are just very long days," he says with a sigh of resignation.

Adjusting biological rhythms . . .

Sound familiar? If it does, your day is probably everyone else's night. You work so many different schedules, it doesn't matter what time it is. You may even work split shifts and have no day to call your own. It's a bizarre existence that puts you out of sync with the rest of the daytime world and can throw your whole system off. But have no fear. The problem is not with you, per se, but with your biological rhythms, and there are ways to attune them to your schedule, says biologist Charles F. Ehret.

Ehret, the man behind the anti-jet lag diet program that President Reagan and other time-zone hoppers swear by, has been studying the effects of time cycles on animals and humans for more than 35 years. Lately, he has been looking into the health problems faced by shiftworkers or people who work anything other than the normal nine-to-five routine that most Americans follow. If you work split or dinner shifts for days or weeks at a time, that means you.

People are normally day-active creatures, Ehret points out. Normal programming takes that into account: We surge in the morning and decelerate in the evening. "You really are a different person chemically at 6 a.m. than you are at noon or at midnight," he says.

This hormonal programming enables us to take in stride what Ehret calls "daily time-givers," or stimulants that reset the body's inner clock and give us our sense of time. The primary stimulants include light, food, drugs, social cues and oxygen (from exercise).

Living by your body's inner clock is no problem as long as you're getting up at seven in the morning, eating lunch at noon, finishing work by five and going home to dinner and a leisurely evening before falling asleep. If the whistle doesn't blow for you until 2 a.m., though, your inner rhythms can get thrown out of whack.

Turning the day around . . .

Julie Christopher says her schedule makes her feel as though she's in show business—up all night, constantly on the go, unable to unwind, asleep when the rest of the world is at work. Ehret agrees with her. He compares the restaurant worker's dilemma to that of most entertainers. "Many show-business people have learned to live very well with shift work," he says. "They'll be onstage in Vegas at 11 p.m. and maybe even do another show at one in the morning. They don't get to sleep until the wee hours, and yet they're often in perfect health." Their secret? "They just turn the day around," he explains. "They eat a good breakfast at two or three in the afternoon. They often have a whole set of 'night people' to socialize with after they get off work. And they don't 'sunlight'—the opposite of 'moonlight'—on their days off. They keep the same schedule that their bodies have adjusted to."

Ehret suggests the same equation as the solution for restaurant folk: they just need to switch their clocks to fit their lifestyles. For example, after starting work at 3 p.m. and getting home at 6 in the morning, Noel DeMello sits down and relaxes by reading the next day's paper and watching television to keep his body on track. Ehret recommends a similar type of routine for all shift workers. He calls it observing "good chronohygiene" throughout the day. Ehret describes chronohygiene as a "planned rescheduling of meals and activity to provide time cues that help speed the body's adjustment to new work schedules."

It goes like this: If your work shift starts at 4 or 5 p.m., your "morning" should begin an hour earlier. That's the time to turn on the lights in your house, exercise, and eat a substantial, protein-rich meal. Avoid caffeine-packed drinks then, says Ehret; your body clock doesn't need resetting at that hour.

Your equivalent of lunch hour comes at 8 or 9 p.m. "Eat a big, high-protein lunch, avoid caffeine and don't take a nap," says Ehret. Around midnight is your "teatime," the only time it's okay to drink coffee or tea. It'll give you a boost to make it through the night or split shift.

By two or three in the morning, you're off work and ready for your evening phase. Socializing is fine then, says Ehret, as long as it's fairly low-key. The same goes for exercise: nothing strenuous, but light stretching, yoga or walking are acceptable. And this is the time for a high-carbohydrate, low-protein meal—a plate of spaghetti, for instance, or some Chinese stir-fry over rice. Carbohydrates signal the body that it's time to slow down and get ready for sleep.

Avoiding the temptation to nap . . .

Split-shift folks should follow a modified routine. Follow the example of DeMello, who changes clothes and goes for a walk between shifts but doesn't go all the way home, so as to avoid the temptation of a nap. A midday snooze does more harm than good to the old biological rhythms, Ehret says. But it's still important for split-shifters to get away from the restaurant atmosphere. So don't have lunch in another restaurant; brown-bag it instead. Eating outdoors in a park or other relaxing setting can help.

As for unwinding after work, "night people don't need to do it more than day workers do, but it may be harder for them to find the right kind of unwinding activities," says Ehret. Gardening, a perfect unwinding activity, is no easy trick before dawn unless you have a lot of houseplants. Lack of daylight also cancels out a peaceful walk or bike ride, but music, a traditional soother, is always available no matter what the time. "I grab my guitar as soon as I get home from a night shift," says Alberto de la Rosa.

And this is not the time to feel guilty about watching television, another great relaxer after a long shift. DeMello plugs in his whirlpool foot massager and watches television for about an hour or so before turning in, giving both his body and his brain some time to wind down.

Although he is probably not catching his favorite shows at that hour, he may be able to view them eventually. In Germany and the Scandinavian countries, "some TV shows are shown three times a day so that shift workers don't have to miss, say, their soap operas," Ehret notes. American network TV is currently less obliging, but if you have a videocassette recorder, says Ehret, you should tape your favorite shows, not only to have something you like to watch after work, but also to feel more "normal" —more like a day worker than a night person.

Many shift workers may look to alcohol to produce a state of relaxation. But chronic overuse of alcohol—or any drug, including sleeping pills—flattens circadian rhythms, Ehret says. "For shift workers, who are already disturbing their rhythms, it's adding insult to injury," he adds.

It is also helpful to remember that you are in a high-pressure job. If you don't take positive steps to relieve that tension, it could lead to anxiety, depression, headaches, lower-back pain, frequent insomnia and a raft of other ills. In fact, a 1978 study by the National Institute for Occupational Safety and Health found that "manager/administrator" was the seventh most stressful occupation in the country, followed by "waiter/waitress." When you're dealing with that kind of stress, it's even more important to make certain your body clock stays on the proper schedule when you're working night or split shifts.

Adapting . . .

If you can't observe the whole Ehret shift-work schedule, even a few adaptations can help, such as snacking on a few pieces of toast when you get home or substituting a glass of juice for a glass of wine. And if you need a memory jogger, Ehret has summarized the shift-work diet on a wallet-size card. To obtain one, just send a self-addressed, stamped envelope to the Office of Public Affairs, Argonne National Laboratory, 9700 S. Cass Ave., Argonne, IL 60439. Follow it faithfully, and those weary after-shift feelings may ease. ❑

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The U.S. Culinary Team

TRIUMPH

IN THE HOT FOOD COMPETITION

The hot food competition was not the only victory for the American team. The U.S. Culinary Team brought home a total of 120 medals, 56 of them gold. Although Canada won the world championship award for the best overall performance, the United States was the only country to place first in two of the three main areas of competition. The U.S. team won the hot food and cold platters; missing out only on hot food presented cold.

by Anne Papa

The U.S. Culinary Team set a new world record at the 1984 International Culinary Competition, held in Frankfurt, Germany, this past October, by becoming the only country ever to win the hot food competition two times running. This year the team took the honors for its two native American dishes—Loin of Lamb Wyoming and Seafood Sausage Virginia. The 1980 U.S. Culinary Team edged out its competitors with two recipes that have since become American classics: Turkey Breast Oklahoma and Sea Bass St. Augustine. These successes prove that American cuisine is no longer up and coming—it's here to stay.

The American victory in the hot food category is also significant because the hot food competition is considered to be the most prestigious—and the most difficult—event of the "culinary olympics," as the international competition is commonly called. U.S. Team Manager and Culinary Institute of America President Ferdinand Metz explains why: "Chefs spend over 90 percent of their time preparing hot food—three times a day, 365 times a year. Hot food is the lifeblood of our business."

The hot food competition was held in specially-built kitchens in the main hall of the Messegelaende, Europe's largest single exhibition area. Twenty-eight national teams competed—four on each day of the week-long culinary olympics. The U.S. Team competed on the second day, along with teams from France, Spain and Norway. Here is an account of that important day's events.

The beginning . . .

Frankfurt, West Germany—October 13, 1984—Day Two of the International Culinary Competition dawned early for the U.S. Culinary Team. It was not yet 5:30 a.m. when national team members Richard Schneider, Marcus Bosiger, Dan Hugelier and Tim Ryan and Team Manager Ferdinand Metz began loading the van that would transport them to the Restaurant of Nations, located in the main hall of the Messegelaende. There, the team would defend its championship title in the 1984 hot food competition.

The team members were quiet as they methodically moved food and equipment out of their prep kitchen and onto the truck. They knew that now was not the time to think about the impact the day ahead might have on their individual careers or even on the worldwide reputation of American cuisine. Now was the time to concentrate on the task at hand, with a single-mindedness of purpose. This con-

centration has been a hallmark of the U.S. Culinary Team since its formation in 1956.

"We could not concern ourselves that day with the magnitude of the event we were involved in," says U.S. Culinary Team Captain Richard Schneider. "There were too many details to take care of. We had to concentrate on our own performance as a team."

The preparation . . .

The team was well prepared that morning. Immense portions of the ingredients to be used in the two competing dishes, Loin of Lamb Wyoming and Seafood Sausage Virginia, had been carefully selected in the days and weeks before the event. Some ingredients had been brought over from the United States: such as American lamb, which is larger and juicier than European lamb. Carolina rice, Louisiana shrimp and California baby vegetables—tiny turnips, squash, zucchini, beets, onions and carrots no bigger than baby fingers—had been brought over by the team as well.

Any preliminary work that could be done on the two dishes had been completed the day before the competition. Lamb and fish stock had been prepared, and staples such as butter and cream had been measured beforehand. A saffron rice mixture, which would be fashioned into fish-shaped croquettes and served with the seafood dish, was also prepared ahead of time to ensure a firm texture.

All ingredients were carefully packaged and loaded onto the van for the two-mile ride to the competition site. After a simple but nutritious breakfast, prepared by team apprentices who were on hand throughout the day, the team was on its way.

The arrival . . .

The Restaurant of Nations was still quiet when the team arrived at 6:00 a.m. Later, when the competition was in full swing, throngs of spectators would surround the glassed-in kitchens to observe the chefs at work. At this early hour, however, only a few people watched as the teams tested the equipment in their assigned kitchens and began unpacking their food.

The U.S. team members moved quickly and efficiently, unloading cartons and arranging their individual work areas. Hugelier would be preparing the lamb. Ryan would be preparing the seafood sausages and finishing the saffron rice croquettes. Bosiger would be fixing the vegetables for both dishes and the corn-filled crepes which would accompany the lamb dish. And Schneider would be preparing the salads which would be served with both dishes.

It was at this crucial point that the chefs noticed half of the equipment in their assigned kitchen was not working. Metz describes the frustration felt by the team members. "We were already faced with the challenge of setting up a kitchen 3,000 miles away from home," he recalls. "And there it was, the day of the competition, and three out of six burners didn't work.

Neither did the steam table. Our choice was either to throw our hands up in the air, take off our aprons and refuse to participate—or to make the best of the situation. We chose to make the best of it."

Ryan says two years of intensive training under Ferdinand Metz enabled the team to work around the inconvenience. "We were trained to expect the unexpected," he explains. "Chef Metz had emphasized that the ability to overcome sudden obstacles would separate the winners from the losers." The team built a makeshift stove out of sternos and continued with their preparations.

The dishes . . .

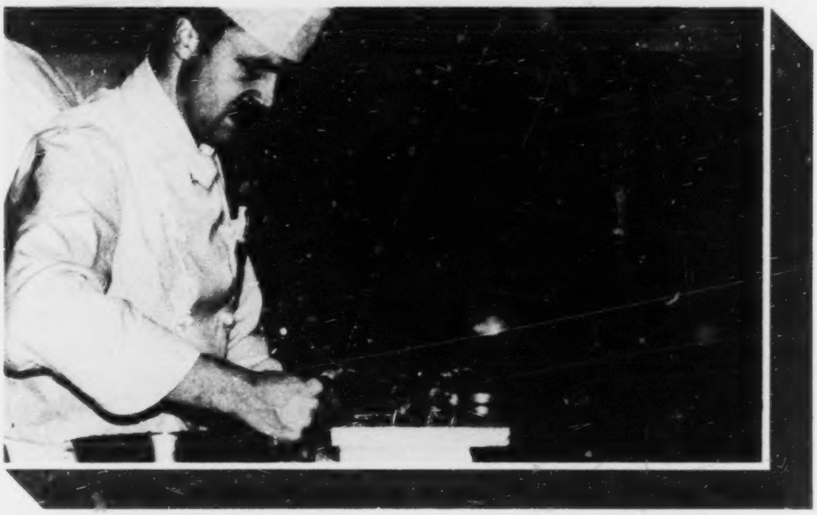
When the 10 judges arrived at the kitchens at 8:00 a.m., the team members were already hard at work. Hugelier was busy preparing the Loin of Lamb Wyoming. This dish had come a long way since its presentation at the Dinner of the Century, held at the NRA Show in May. At that time, the roasted lamb had been wrapped in caul fat, which had preserved the meat's natural juices but had not allowed for a crust. The chefs felt a nice, brown crust would enhance both the texture and the flavor of the dish.

So in Frankfurt, Hugelier wrapped the roasted lamb in a layer of pounded flank, a part of the skirt which is normally trimmed off but which actually contains thin layers of meat. A layer of herbs was also added, and the lamb was then covered in a thin layer of its own natural fat. In this way, both texture and flavor were intensified, and all but eight ounces of fat on a rack of lamb was used in the preparation. Total usage, a primary consideration since the dish first originated, was nearly achieved in this final version.

Meanwhile, Bosiger was preparing the corn-filled buckwheat crepes which would be served with the lamb. Small buckwheat pouches were filled with a mixture of corn, sauteed onions and red and green peppers, and then sprinkled with Monterey Jack cheese to bind the ingredients together. Each crepe was then tied with a scallion and baked. "The finished crepes resembled small gold pouches," says Metz. "They drew instant attention to the lamb dish—a real signature item."

Bosiger was also preparing the baby vegetables which would be served with the lamb. These were sauteed in a chicken broth which had been boiled down to a syrupy texture. Fresh herbs were added to the mixture at the last minute. This method of preparation created a glazing effect, without being greasy or buttery. And since a minimal amount of butter had been used, fat content was reduced and the distinctive flavor of each tiny vegetable was preserved.

Preparation of the Seafood Sausage Virginia was Ryan's responsibility. A forcemeat of fresh pike, lightly bound with raw egg white, was combined with diced raw salmon and shrimp and was piped into small lamb casings. The sausages were then arranged carefully on each plate along with a combination of gulf shrimp and bay scallops. The entire seafood medley was covered with a light Cre-



ole mustard butter sauce and surrounded by the fish-shaped saffron rice croquettes. Plum tomatoes stuffed with spaghetti squash and green asparagus, added a striking finishing touch to the platters.

And Schneider was busy fixing the salads that were to be served with both dishes. A floral salad—small tomato cups with baby Bibb lettuce and endives standing up inside, achieving a delicate, budding effect—would be served with the lamb dish, and a fresh garden salad, complete with marinated cucumbers and baby peas, would complement the seafood dish.

Throughout the preparations, Metz worked shoulder to shoulder with the team—tasting this sauce, rearranging that platter, inspecting all ingredients. At one point he asked the team to prepare sample portions of each entree so he could make a final evaluation. "Up to the last minute, if something had been less than perfect, Chef Metz would have changed it," says Hugelier. Adds Ryan, "He made sure all of us stayed on schedule—probably the hardest job of all."

The competition . . .

By mid-morning, the Restaurant of Nations was alive with spectators. Culinary experts, restaurateurs, reporters, photographers and sightseers from around the world crowded around the four kitchens to observe the masters at their craft.

The American contingent was especially strong. "At one point we had to ask the people to make way so the judges could get through," recalls Ryan. The team was trained to disregard distractions, however, and so they carried on, oblivious to the waving flags and popping flashbulbs.

Throughout the morning, the judges meandered through the kitchens. Although the official judging did not begin until 11:30 a.m., the efficiency of the teams as they prepared their dishes was considered crucial to their overall performance. The judges watched to see how well team members worked together. They looked into trash cans to see how much food was being wasted. They peered into refrigerators and bins to see how food was being stored. And they carefully observed each step of the food preparation process, measuring use of time and labor.

Just as the U.S. team was oblivious to the crowds surrounding their kitchen, so were they oblivious to the presence of the judges. "We could not allow their presence to affect our work," explains Schneider. "We had food to prepare. And we had nothing to hide. We were trained to work well together, and we knew how to make the best use of our ingredients and our time." Indeed, when the official judging finally began, Loin of Lamb Wyoming and Seafood Sausage Virginia were the only two dishes ready to be presented.

And what splendid dishes they were. The lamb platter, with its colorful splash of baby vegetables and unique corn-filled crepe, was the first to be sampled by the judges. Recalls Hugelier, "We could tell immediately that they were pleased. In fact, one judge who'd been particularly critical throughout the competition was the first to congratulate us."

The Seafood Sausage Virginia was received with equal relish. The judges admired the fish-shaped design, and they also noted approvingly the contrasting methods of preparation used in the dish. According to Metz, contrast is an important criteria. "By varying your methods of preparation, you create an excitement in your overall effect," he explains. In the Seafood Sausage Virginia, the sausages were poached, the shrimp was sauteed, the vegetables were baked and the croquettes were deep-fried.

Finally, when the judges had finished tasting the dishes and had moved on to the next kitchen, the doors to the American dining room in the Restaurant of Nations were opened and the waiting public was served. The U.S. Culinary Team served a total of 250 meals in 50 minutes, shattering the previously held record of 200 meals in 127 minutes set by the U.S. team in 1980. What were those 50 minutes like for the exhausted team members? "Incredibly hectic," says Bosiger. "Pandamonium," says Ryan. "The final push," says Schneider.

And then—it was over. The other teams were still cooking as the U.S. Culinary Team cleaned up and left their kitchen, pausing only long enough to hoist a celebratory beer.

The reward . . .

The U.S. team was not officially awarded the gold medal in the hot food competition until the last day of the olympics, at the closing ceremony. But on that second day, as the team members headed back to their hotel for a well-deserved rest, they felt the satisfaction of a greater victory. Says Metz, "Our cooperation that day, our pride in our work, and our contribution to the reputation of American cuisine all loom much larger than the medals. The medals are an expression of what others think of your work. But, above all, you have to be satisfied with what you've done.

"And," he adds, "we are." ❑

A CHECKLIST
WHAT MICROCOMPUTERS SHOULD DO FOR YOU

by Bob Hill
NRA manager of data processing

By 1987, there will be 19 million microcomputers in operation. Microcomputers are here to stay. They have their uses in your home and if you are ready to automate, in your establishment(s) as well. Basically, a microcomputer, or micro, regardless of size, can improve your productivity in three ways.

First, it can do what you do now, only faster and better. Tasks such as guest check automation, tracking sales, payroll, purchases, inventory, menu mix, and other tasks can be performed with great speed and accuracy.

Second, a micro can extend the functions you now perform. With accounting software, detailed costs analysis studies can be performed quickly with the same information that was put into the machine for other functions.

Third, a micro can allow you to be more productive. Features such as electronic mail between units; access to large data bases; and the opportunity to hook up with national, international and local networks expand an establishment's capabilities beyond the traditional typewriter and file cabinet.

Moreover, the cost of equipment set-up and programs is steadily declining. But not all micros are the same. In a restaurant setting, micros assist in three areas: business, point-of-sale and telecommunications functions. Before you purchase a micro, you should write down all the capabilities you need to effectively run your operation in each of these areas and rank each item by degree of importance. By deciding which capabilities are essential and which are desirable but expendable, you can make the required trade-offs between price and availability.

Here is a look at some key capabilities in the three basic performance areas to help you develop your list of needs. In the area of business functions, the software should be able to support the following requirements:

- **Payroll and labor data collection and reporting** for as many employees as you need. This can include:

  1) Employee log-in and log-out with manager-authorized correction and printed output.

  2) Employee master record creation with such entries as name, address, pay code, reference number, special skills and change of employment status as well as printed output.

  3) Labor analysis by employee per day and/or week summary. (This should include projected labor requirements by day of the week and/or for total week based on sales statistics of up to five weeks of sales. Variable factors showing allowable crew hours per dollar of sales should also be included.)

- **Inventory control data collection and reporting.** This can include:

  1) Inventory record creation with item number, description, quantity in stock, quantity on order, usage, unit of measure, order point, price and so forth.

  2) Inventory status reporting based on manager inquiry by item, summary of items on order, list of items below order point and not on order, detail stock status list, recommended orders and so forth.

  3) Usage history for reorder calculation available for reference and/or adjustment. (This should include a daily calculation in pounds and dollar cost, the ideal usage of primary items based on their purchase cost.)

- **Purchase and invoice payments data collection and reporting.** This can include:

  1) Receipts of items recorded by vendor and invoice reference, including quantity and costs, that are automatically posted to the inventory records.

  2) Invoice payments (paid-outs) posted by vendor, invoice reference and local cash balancing.

- **Sales and cash data collection and reporting.** This can include:

  1) Sales statistics collected by item of sale and special pricing (coupon item, discount and so forth). (These statistics should be available for inquiry at any time so sales per hour for each item, all items or a selected mix can be retrieved in analyzing breakfast, lunch, dinner and evening product sales.)

A micro should be a user friendly P.O.S. device . . .

By acting as a P.O.S. device the micro, in general, should have adequate methods of displaying data on a video screen or in printed form. Data should be able to be entered easily and rapidly with the fewest possible keystrokes. User-oriented function keys should be identified for ease of access and training. Specifically, sales counter terminals, back office equipment, grill and kitchen areas, maintenance and backup as well as the software designed to meet your needs. Let's take a look at each of these areas.

- **Sales counter terminals** should include the following features:

  1) A design that fits the space and function so items being sold or tasks being performed can be identified.

  2) Cash drawers that can be activated by the micro upon completion of the sale and receipt of cash, so that your sales staff can record and display the sale to the customer and gain approval before opening the cash drawer.

3) Visual displays that support up to 20 items, total the purchase and display any change due. The cashier should see what the customer sees plus any error messages.

4) Print option of a slip printer or journal tape with full character printing under software control.

5) An audible speaker for signifying keystrokes and/or errors.

6) Unit independence so the loss of one micro in an establishment does not affect the others.

7) A separation of manager and cashier functions if a keylock is used.

- **The back office microcomputer and printer** should include:

1) A keyboard that allows for alphabetic and numeric data entry and includes ample function keys to perform the business functions.

2) A visual display that performs transaction displays on request. Program options that allow for upper/lower case, reverse video and blinking characters are a plus.

3) Printer options that allow for a standard 132 character/line printer so reports defined in the "business function" section can be produced.

4) A time clock that must be an integral part of the system and accessible by applications software to maintain accuracy.

In addition, multi-microcomputer configurations should allow for at least 10 sales counter terminals and secondary disk or tape storage should be sealed from dust and grease.

2) Sales summary data by item and by register, clerk, area or department where the sales occurred. (This information should be available either daily or weekly.)

3) Cash, credit or personal check totals balanced with sales. (Credit charges should be recorded by type of account [MasterCard, American Express and so forth]. Personal check input should be associated with such references as driver's license, phone number, Social Security number or a combination of these. Make sure you have the ability to print authorized dollar amounts on the documents.)

4) Credit authorization capabilities within the restaurant for bad account checking and display of rejects.

5) Cash reconciliation capabilities for totaling deposits and recording paid-ins minus paid-outs. These totals should be available upon request for each detail item or sum total and should include reporting capability. End-of-day cash over/short report should reflect the difference between cash and credit and gross sales.

- **Energy control capabilities.** This can include:

1) Monitoring of energy sources, such as electricity usage, by total unit and/or components within the unit (stoves, lights, coolers, air conditioners and so forth). It could be possible to reconcile meter reading data with utility bill processing to reduce overpayments.

2) Ability to perform functions of turning off/on switches based on established energy levels or giving warning signals of alert.

3) Ability to report energy efficiency based on projected usage per day/week/hour of day for each energy source being monitored.

- **Financial reporting for daily, weekly or end of period.** This combines the totals calculated in the previous areas and should provide restaurant profit and loss statement showing total sales by item, cost of items sold, overhead estimates and variance to standard or budget.
- **Training staff to use all software.** This should allow

1) Training lessons to occur for each type of entry, with display of results on video screen or printed, without affecting the integrity of the live data.

2) Training to occur anytime the microcomputer is up without actual sales being entered during the period (cash drawer remains closed).

- **In the grill and kitchen areas** a micro should be able to display or print orders from one or more sales counter micros. It should include a method of recording order completion and verification of orders in the queue.

Where a keyboard is available, it should allow for up to 10 functions for order queue review, order completion indication, substitution entries, cashier call for clarification and so forth.

- **For efficient maintenance and backup,** each piece of hardware should be modular for easy replacement. The hardware parts should be readily available at a low cost.

In addition, the micro should include diagnostic software capable of pinpointing cabling and hardware failures as well as multiple days data storage to allow for external failures, such as phone line and main office equipment.

- **When evaluating software,** be sure

1) Programs are written in one or more of the standard high level languages, such as Basic, Cobol, Pascal and so forth.

2) Programming or modification of existing programs can be done by the back office microcomputer.

3) There are source listings, codes and complete documentation for all applications that have to do with any business functions.

Micros should talk to each other . . .

In a multi-establishment company, the main microcomputer should be able to communicate with another micro of its own or larger size to accomplish any level of time data consolidation. Standard communication speeds are necessary to economically support these requirements.

Specifically, in the area of data collection, two-way data communication capability should be built into the software and the speed of data transmission should allow for 300 to 9600 bits of information per second, using built-in equipment. When there is remote polling of a store's data, there should be a function to check the accuracy of the transmission and multiple stores should be able to transmit simultaneously with automatic retries on missed transmissions.

When polling statistics, there should be a daily log of each type of error and a successful poll summarized in any sequence desired. Weekly and monthly summaries of errors and successful polls should also be possible.

When you have decided which capabilities you require of your micro, you are ready to buy one of your own. ☐

***Editor's Note:** NRA's National Conference on Computers in Foodservice, a computer forum designed especially for restaurant operaters, will be held at the Las Vegas Hilton in Las Vegas, NV, March 24–27, 1985. For further information, call NRA's Education Programs Dept., (800) 424-5156 (toll free) or (202) 638-6100.*

Consider Live Music for that "Something Extra"

by Kathy Groiss

Days of smoke-filled dinner clubs where jazz artists got their first breaks may be gone for good, but the tradition of live music in restaurants is still very much alive. Competing for a position in the marketplace and looking for a style that sets them apart, restaurants are finding that live music can create a signature that patrons will remember long after they leave.

Matching musical notes with restaurant style . . .

Music should match the style of the establishment. Upscale restaurants often feature background music. One example is the Harbor Club, a beautiful restaurant overlooking the East River in New York City. The rooms are painted warm blues and peaches and are accentuated by a sunset mural. The environment is subdued and relaxed—perfect for executive business lunches. As Donna Nappi of the Harbor Club explains, "We knew we had a beautiful restaurant here, so we wanted music to help set the mood. Also, since we depend a great deal on business lunches, we couldn't

have anything too distracting or bombastic. We decided our best bet was a pianist who would play light jazz. The music is sophisticated, soothing and helps give the Harbor Club that special something."

Live music also can help complement the design, menu and atmosphere of an ethnic restaurant. A good example is Miomir's, a lively Serbian Restaurant in Chicago that quite successfully added live music during its evening meals. Serbian folk songs, Russian-style dancing, strolling gypsy violinists—all contribute to create an environment so entertaining that the diners invariably become involved.

At restaurants such as Ilnonno's (Dallas, TX), Max's Opera Cafe (San Francisco, CA) and Sweetwater Cafe (Cleveland, OH), the service people *are* the entertainment. As Sweetwater's Gary Luckerelli explained, "We feel that because we are located in the famous Playhouse Square district, it is appropriate to feed people psychologically as well as physically."

Sweetwater service staff sing songs ranging from opera to country western. They perform solo or in groups. And they are aware of their community ties. Luckerelli elaborates: "We like to perform what we call 'time capsules.' These are small groups of songs that have been performed by Playhouse Square players in the past. They are always enormously popular with our diners and really help to connect Sweetwater with this area." On occasion, a new performer offers a unique talent that can be added to the act. "We have a pantry girl who is also a puppeteer," adds Luckerelli. "Every now and then, she puts down her work and goes out and gives a puppet show. It is great fun for her *and* the diners!"

Finding performers . . .

Once you have decided on a particular type of musical entertainment, how do you find performers? There really is no standard source. For example, Rick Henderson operates Strictly Tabu (Dallas, TX), known not only for its delicious food but also for its great jazz. Luckily, Henderson can rely primarily on local talent. "We have the great fortune of having the music school at North Texas State University here in Dallas," he notes. "It is a nationally renowned program and attracts many gifted people. We have been able to use a great many of these talented students. Dallas is also an area with many studio musicians, so I often hire these performers as well. We never really have a shortage."

Some restaurateurs have cited successful searches in newspaper and trade press ads. Others have used the musicians' union, word-of-mouth recommendations or auditioned drop-by performers. NRA member Robert Lafferty of Environments of Quality, Inc., observes that sometimes a musician may not be necessary to give a restaurant a "live music" ambiance. The Coco's Cafe and Bar in Pompano, FL, for example, bought a white grand piano, a beautiful Yamaha, and lit it with pink lights. "It was just spectacular looking. Then, we had it completely computer programmed with some 108 tapes so that the piano simply played itself. It was really an eye catcher and played until 9:00 p.m. when a band came in to play more upbeat dance tunes," he says.

Promoting live music . . .

Once you have an idea and have hired the musicians, how do you promote the fact that you have live music? Some restaurants rely on word-of-mouth recommendations or on their reputations. In this way, the music tends to be a secret benefit of dining at that particular spot.

Places like the Sweetwater Cafe, on the other hand, feature such an unusual concept that they often received unsolicited, free publicity. As Luckerelli observes, "We have had a great deal of publicity both through television and print media which has enabled us to almost forgo paid advertising. Recently, one show called us and asked us to do a spot with our waiter making a pasta dish while singing opera. It seems that anything that looks interesting, or a lot of fun, becomes newsworthy."

If you need to pay for advertising, target those ads carefully to reach specific markets. Roma's Restaurant in Washington, DC, is a good example of ad targeting. Roma's owners decided to promote their strolling violinist James Diehl. Diehl has a classical background. He used to play with the Buffalo Symphony and frequently performed at the White House. Roma's wanted to advertise to a type of customer who would be the most attracted to his music, so an ad was placed to air immediately before the opera hours on a classical music radio station. The ad has been quite successful, showing that the time the ad airs and the choice of station are both important factors in an advertising strategy.

Lastly, don't forget to keep in mind local community events, such as fairs, parades, sporting events and so forth. When your singers or bands appear, they will certainly gain attention and can create goodwill for your restaurant.

Noted problems . . .

Live music *does* present some problems. For example, how do you entertain diners who wish to hear live music while preserving the quiet for those diners who wish to converse quietly? Using music as a background is one solution. Another possibility is to feature strolling musicians, who play to only one table at a time. Strolling musicians also can save floor space because there is no need for a bandstand.

Some establishments get around the preference problem by offering separate rooms for music and dining. At Strictly Tabu only the front room features live music. Offering soothing music during the early evening hours and more lively music during late hours is another way to cater to different customer wants.

There may also be copyright restrictions. In his book, The *Legal Problem Solver,* Clyde Griffith, NRA general counsel, warns: "U.S. copyright laws protect the rights of composers and publishers of music by requiring payment of royalties to the writers and publishers each time their music is played in a public performance for profit. . . ." Technically, this means that both the restaurateur and the musician could be charged a fee. Generally, however, the performance rights are owned by performing arts societies that negotiate contracts with restaurants. Be sure to check out these requirements, and if you have any specific questions, call NRA's legal department.

There may be other regulations as well. For example, brass and percussion instruments often cannot be played without a cabaret license. There are also many health and safety regulations about the minimum-size dance floor you may have. A little research can save you time and money in the long run.

Finally, another major limitation to the use of live music can be cost. Try to start out small if you aren't sure how well music will be received as a new attraction, and make sure you have carefully researched the desires and needs of your potential customers. If you want to appeal to younger audiences, for example, you may find that the new high-tech video entertainment may be more suitable than jazz or show tunes.

But don't be too quick to decide live music doesn't work. It may simply take some time to catch on. You don't need to make a full-time commitment. Many operators testify that they have become quite successful by dropping back from live entertainment seven nights a week to four or even two nights.

In sum . . .

As many successful restaurateurs have discovered, adding live music can be an extra bonus for diners as well as for the restaurateur seeking to create a unique signature for his or her operation. ❑

Cabaret is back

Cabaret entertainment—once restricted to the poor, artistic community in Paris—is on its way in America. Originally a potpourri of bizarre humor; biting, political satire and bohemian comraderie between performers and audience, it is today in the United States more an offshoot of legitimate musical theatre—a small, funny and intimate musical revue.

Until recently, cabaret did not have a solid following because its performance record was so sparse. There are, however, several reasons that cabaret may be on its way back.

First of all, cabaret is usually shorter than regular theatre, allowing people to go out for dinner, catch an early show and return home in time to see Johnny Carson. With leisure time becoming more abundant, people are looking for alternatives to television for their entertainment needs; yet they do not want to travel too far. The casual intimacy of cabaret provides a one-stop answer. The expertise and variety of American restaurants can offer new combinations of food and drinks, with beautiful music and funny cabaret entertainment.

Restaurant owners who are contemplating cabaret as a form of entertainment in their establishments must make sure their budgets and facilities can accommodate such a show. A discussion with a theatrical producer is likely to save time, money and headaches.

Depending upon size, traffic patterns, hours of service, type of restaurant and talent and budget available, cabaret entertainment can vary from one to five performers with a piano to a cast and crew of 10 or more. Stage sizes can range from a small platform barely large enough for one performer to a 16 x 32 foot (or larger) theatrical platform that can double as a tier for table service during lunch.

Although small cabaret shows can be produced for audiences of 80 or 100 people, it is difficult to make a profit in a smaller house. A little arithmetic indicates that a company consisting of three actor/singers, a pianist, a director and a stage manager would require about $1,000 minimally per performance in most major cities.

The setting may also need to be altered to include a stage, piano, lights, sound equipment and dressing area. These can range from $3,000 to $25,000 or more, depending upon the size and quality of the stage and backstage technical area. These costs can be recouped, of course, with cover charges and food and beverage minimums as well as favorable publicity.

Technical requirements . . .

Lights are a necessity to focus dramatically on the entertainment, and although not essential, a simple light board is highly beneficial for dimming and altering effects. In addition, some shows require a follow spot for entrances, exits and audience participation segments. Sound equipment with a quality amplifier with mikes for each performer and instument are needed, and adequate speakers at appropriate locations throughout the audience should be balanced to provide a vivid sound without disturbing clientele in other dining areas.

Nervous performers need restrooms even if there are no costume changes. With stage makeup, costumes, wigs and simple props, offstage changing space with running water, a toilet and a small stage area is essential. Unless costumes are taken home each night, there should be a closet or room with a secure lock where they can be stored. One full-length mirror is a minimal requirement, and a private dressing room with a dressing table is even more humane, although this accommodation is rare. Walkie-talkies from the dimmer board, bar or a director's table to the backstage area can help with the crucial timing of a show.

When beginning to plan cabaret entertainment, start developing mailing lists of friends and current customers, theatre goers, business entertainers and others you believe would enjoy cabaret. A card or flier about the show and modest advertising in newspapers and radio can educate the public to your new business (show business!).

Just as overnight miracles happen rarely in the restaurant business, smash hits in cabaret take time to build. For this reason, it is a good idea to guarantee only a minimum to the cabaret producton company and allow the production company and staff to finance the show through cover charge receipts.

—Taira St. John

VIEWPOINT

Restaurant as theatre
From an employee's point of view

by Beth Howard

All the world's a stage, and all your waiters and waitresses are actors. While the idea of approaching the restaurant business as theatre is not new, consider approaching the concept from the employee's point of view. Server attitudes seem to improve when these workers view their jobs as a performance. As many psychologists have suggested, satisfaction with one's job encourages job longevity. To an industry plagued by high employee turnover, the finding warrants consideration.

The key elements of a theatrical production can provide the framework for the "performance" of your service staff.

1. A good director. Theatre experts contend that a good director is critical to a production's success. The equivalent in a restaurant is a manager who establishes clear overall objectives and conveys them to employees in order to achieve a unified effort.

2. Talented actors. Casting is the first step of any successful performance. The hiring process involves assessing personal attributes and the applicant's ability to function as a member of a team.

"You've got to have the attitude that the show goes on no matter what," says Lynn Richardson, waitress at Proposition 45 in Charlotte, NC. This attitude is one which should be fostered in every foodservice employee but particularly in the wait staff. As in the theatre, your service staff must be committed to their craft. They should be positive thinkers and articulate speakers and should thrive within a community of other performers. This core group "generates a sense of ensemble essential to the successful performance," says Joy Zinnoman, artistic director of the Studio Theatre in Washington, DC.

3. The team. Without a doubt, the single most important element of any successful theatrical production is the team or ensemble. The same holds true for restaurants. A performance works best if your staff, the cast, works together to present a single, coherent and consistent impression. Allow ample rehearsal (training) time to establish and cement the organization's expectations regarding service, attitudes and apparel, and to foster team relationships.

> **"Server attitudes seem to improve when workers view their jobs as a performance."**

Performers sometimes neglect their backstage duties since they are not directly a part of the performance. Every member of the cast should know his or her role and the roles of a few other performers so necessary substitutions can be made without a hitch. Evaluate the organizational structure: Do established rules and policies generate or minimize conflict? When conflicts occur, are there outlets for venting tensions behind-the-scenes? Is the kitchen set up to permit smooth interaction between cooks and waitresses? Are all staff members engaged in a single cooperative effort?

4. The set. While a restaurant's aesthetic appeal and atmosphere are important for setting the stage for diners, these concerns sometimes overshadow attention to the restaurant as a functional workspace. Are tables and chairs arranged so that waitresses are not confronted with an obstacle course to the kitchen? Is the kitchen equipped to handle orders from all stations without too much lag time? Are there procedures in place to help occupy guests during a long wait—such as offering free hors d'oeuvres?

Behind-the-scenes areas are also important. Compare the theatre to the typical restaurant. Each has both a front and back region: the front area, the stage or "floor," where the drama takes place and where customers are served; the back (the actor's green room) where cast and crew can drop stage personnas, take a break from the performance and prepare themselves for later appearances. A com-

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Beth Howard is a freelance writer in Washington, DC, and the author of a study on waitressing and job satisfaction.

fortable area offstage for employee breaks will contribute to their success while onstage.

5. Rehearsal. Job training is as important to restaurants as dramaturgical instruction and rehearsal are to theatre. Since most restaurants have developed systems unique to their operation, the director-manager must provide adequate training before even experienced service help can begin work. A number of rehearsals will ensure that a consistent impression is maintained throughout the restaurant and also will build employee confidence.

Don't neglect interpersonal skills. As Nancy Alred, former waitress at The Rathskeller in Burlington, VT, says: "As a waitress, your livelihood depends on how well you communicate." Familiarize your servers with vocabulary basic to meal preparation, ingredients and wine. Establish a relaxed and congenial environment conducive to pleasant interaction between customer and server as well as between restaurant employees.

" 'A set script doesn't make the customers feel special.' "

6. The script. Providing servers with basic information about your restaurant and your menu—a script—is necessary to effective communication with customers. Insist on regular training sessions. If you offer daily specials, provide a brief description of ingredients and cooking methods prior to each shift so your servers can describe them to your customers. Consider wine and food tastings, already a regular practice in many restaurants. Relaying information is the server's first step in developing a positive rapport with customers. Invest in a few "props," such as decorative pepper grinders which waitresses can take to a table for a quick but appreciated sprinkling on salads and soups. Introduce individual teapots for hot tea drinks. These tools add flair to your servers' performances.

7. Improvisation. Theatres have become highly dependent on the actor's improvisational skills. Restaurants, too, can take advantage of this ready-made job motivator. A learned script, specific greetings and descriptive phrases can stifle natural and genuine server responses and inhibit creative interaction. "A set script doesn't make the customer feel special," observes waitress Judy Latona of The Regent in Washington, DC.

Improvisation, on the other hand, challenges the server to be genuine and creative. While scripting is tempting from the perspective of standardization, simpler directives can boost server interest and motivation. Trust servers to take responsibility. When actors'—and servers'—actions directly reflect their own efforts, they do a good job.

8. Timing. Restaurant timing, like that in the theatre, is based on skillful choreography. Too often the elements involved—server's personal timing, customer flow and kitchen preparation time—seem like the antagonists in a classic tragedy. Coordination requires a grasp of the overview and a willingness to fill in vacant roles when necessary.

While you must rely on the server's innate sense of timing, to some extent you can develop the server's ability to prioritize tasks. Teach servers to establish initial contact, however brief, as soon as customers are seated and until greater involvement is possible. The encounter clues patrons that indeed the show has begun and that their needs will soon be met. Another good policy is to "pick up" and serve hot food before taking another order or opening wine, two time-consuming procedures.

Servers commonly complain that business is either too slow or too fast. While customer flow is normally out of the manager's hands, you can help to strike a balance by assigning the right number and size of tables to individual waiters and waitresses. As Justine Ferraro of Proposition 45 says, "I like it when it's really fast because I feel my pace is better, and when it's slow, your timing is all wrong. You have too much time to think. You start thinking of other things."

Job challenges are important stimulants to job motivation. Just as an actress gains little momentum from a poorly attended play, neither can a waitress sustain the motivation necessary to carry out the drama when given only a small role or limited customer contact. "When it's really slow, I get bored. It makes it harder for me to do things. It's harder for me to psyche myself up because I get out of that frame of mind," adds Ferraro.

You can also improve timing by enlisting the help of busers—members of your supporting cast—who supply the missing, transitional scenes. By pouring coffee or water, removing dishes between courses, and picking up checks at the dinner's finale, the busser can pick up the slack of sloppy pacing. These actions diminish customers' perceptions of server neglect during frantic moments. Busers will find that these added responsibilities and the direct involvement with the performance constitute new challenges. This will reinforce their motivation.

Sponsor staff get-togethers after hours to involve workers in non-work related activities. These activities will also let busers, dishwashers and other supporting cast know that their performances are as valued as the more visible members of the team.

Conclusion . . .

Cooperative team relationships foster support and trust among servers and actors alike. Employees involved in a supportive environment, like their counterparts in the theatre, almost always report greater satisfaction with their jobs. Says Kris Rittenhour, waitress at Propostion 45, "There's security here. Everybody chips in and does their share, and you can know it's going to get done. You can feel proud that you helped make it happen." ❑

"The key element of a theatrical production can provide the framework for your staff."

Fisher's law 59

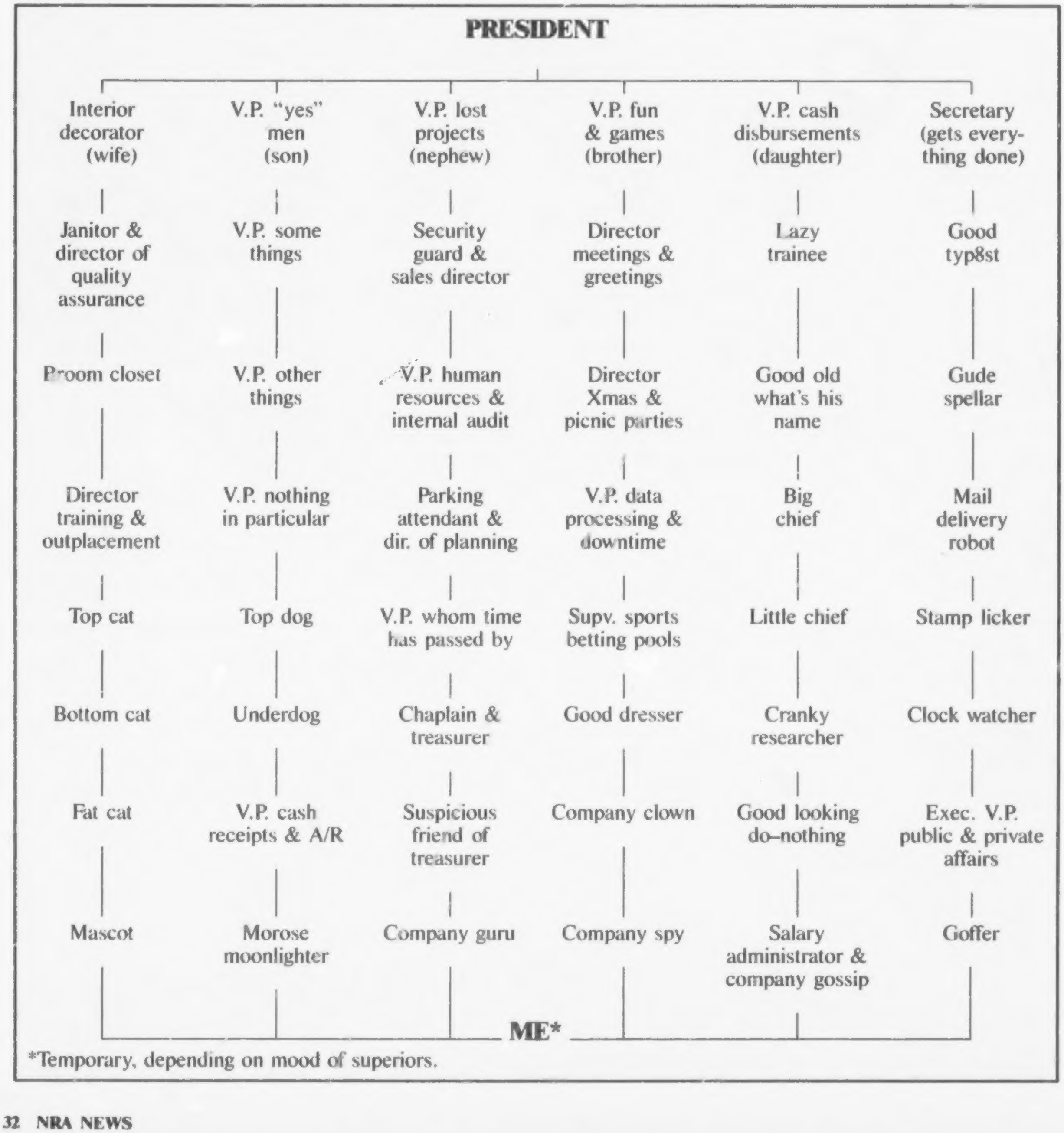
Let's get organized!

A lot of organizations spend a considerable amount of time and money on organizational structure. Some companies adopt one organizational philosophy at one point in time (centralization, for example), change to another format later (decentralization, for example), then reverse themselves back and forth periodically. This certainly adds interest and provides fodder for conversation.

I've worked on organizational structure matters in the past, and I thought you might enjoy the following:

Over the years I've come to a fundamental conclusion about organizational structure, which is best expressed as Fisher's 59th Law:

"Irrespective of the formal design and structure of an organization, if the people involved don't want it to work, it won't! No matter how unorthodox it may appear, if the people involved want it to work, it will!"


PRESIDENT
Interior decorator (wife)
Janitor & director of quality assurance
Broom closet
Director training & outplacement
Top cat
Bottom cat
Fat cat
Mascot
V.P. "yes" men (son)
V.P. some things
V.P. other things
V.P. nothing in particular
Top dog
Underdog
V.P. cash receipts & A/R
Morose moonlighter
V.P. lost projects (nephew)
Security guard & sales director
V.P. human resources & internal audit
Parking attendant & dir. of planning
V.P. whom time has passed by
Chaplain & treasurer
Suspicious friend of treasurer
Company guru
V.P. fun & games (brother)
Director meetings & greetings
Director Xmas & picnic parties
V.P. data processing & downtime
Supv. sports betting pools
Good dresser
Company clown
Company spy
V.P. cash disbursements (daughter)
Lazy trainee
Good old what's his name
Big chief
Little chief
Cranky researcher
Good looking do–nothing
Salary administrator & company gossip
Secretary (gets everything done)
Good typ8st
Gude spellar
Mail delivery robot
Stamp licker
Clock watcher
Exec. V.P. public & private affairs
Goffer
ME*

*Temporary, depending on mood of superiors.

STATE DEPARTMENT

South Dakota leads state efforts to challenge legislation on drinking age

States are being pressured by Congress to raise the legal drinking age to 21. When the Surface Transportation Act of 1984, a $5 billion highway bill, passed the U.S. House of Representatives, it included an amendment that would withhold a portion of federal highway funds from states failing to raise their legal drinking age to 21 by October 1986. Subsequently, the Senate voted overwhelmingly to pass a similar amendment. The amendment was signed into law by President Reagan this summer.

The measure contains three different spending elements. The first two are incentive grant provisions that directly relate to highways and highway safety. The final element, however, is different in two important respects: (1) it contains a financial *penalty* rather than an *incentive*, and (2) it relates to *state liquor control regulation* rather than to *highway safety.*

Under this provision, states that have not adopted the minimum drinking age by fiscal year 1987 will lose five percent of their federal highway funds; and, in fiscal year 1988, an additional 10 percent will be withheld from states not yet adopting the minimum purchase age. Withholding will apply only to these two years, and withheld funds will be reimbursed to any states subsequently raising their drinking age.

27 states below age ceiling . . .

Hardest hit by the measure, of course, are those 27 states that currently have a lower minimum purchase age. These states stand to lose hundreds of millions of dollars in highway grants should they fail to amend their drinking age statutes. Faced with this dilemma, the states have begun to seriously question the constitutionality of the legislation.

South Dakota is forerunner in constitutional challenge . . .

On September 21, South Dakota became the forerunner in the states' efforts to preserve the integrity of their constitutional right to regulate the sale and possession of alcoholic beverages within their borders. South Dakota Attorney General Mark Meierhenry filed suit in the federal district court alleging that (1) Congress is without jurisdiction to enact laws allowing or prohibiting the sale of alcohol within the state, (2) any such legislation is an unconstitutional violation of states' rights and (3) the Department of Transportation is without authority to enforce any related penal provisions. Although Meierhenry alleges that the Lautenberg amendment is a "unilateral usurpation" of state authority by Congress and a "flagrant violation" of the 21st Amendment, he concedes that South Dakota

22 states permit drinking for those under 21 years of age

State	Age
Alabama	19
Arizona	19
Connecticut	20
Florida	19
Georgia	19
Hawaii	18
Idaho	19
Iowa	19
Louisiana	18
Maine	20
Massachusetts	20
Minnesota	19
Montana	19
New Hampshire	20
New York	19
Rhode Island	20
Tennessee	19
Texas	19
Vermont	18
Wisconsin	19
West Virginia	19 residents; 21 non-residents
Wyoming	19

Spirits vs. wine/beer . . .

States that have 21 drinking age law for spirits and 18 or 19-year-old requirement for beer and/or wine:

Colorado
District of Columbia
Kansas
Mississippi
North Carolina
Ohio
South Carolina
South Dakota
Virginia

Keep your customers safe, sound and returning to your establishment.

The American consumer—your customer—is concerned about drunk driving. It makes good business sense for you to be concerned, too. NRA's booklet, poster, coaster and table tents can show you how. With the help of NRA's *Help Prevent Drunk Driving* booklet, you will be able to make the right operational decisions for your establishment. The poster, coaster and table tents will help you take your message to customers.

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company
address

NRA, Communciations Department, 311 First St., NW., Wash., DC 20001

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is certainly in agreement with Congress and the President on one point—"that the loss of life and property resulting from alcohol-related automobile accidents constitutes an American catastrophe."

In fact, the South Dakota legislature has enacted and strictly enforced a number of statutes dealing with intoxicated drivers. As a result, the number of alcohol-related traffic fatalities in the state has declined by 30 percent between 1981 and 1983. At the same time, South Dakota faces losses of $4,156,000 in highway funds in 1987 and $8,312,000 in 1988 as a result of federal intervention.

Because a state cannot bring suit against the United States unless it consents to be sued, and since the Lautenberg amendment does not grant the right to sue, the South Dakota suit is brought against Secretary of the Department of Transportation Elizabeth Dole on the grounds that the Secretary's jurisdiction in enforcement—withholding highway funds—is unauthorized because her statutory powers are constitutionally void.

Currently, the South Dakota lawsuit is pending adjudication, and Attorney General Meierhenry is urging other states to "follow suit."

State associations hold expositions during hospitality month

In keeping with the October "Restaurant Hospitality Month" theme, a number of state associations selected that month to schedule their annual foodservice expositions. Geared to provide information to all facets of the foodservice industry—including restaurants, institutional feeders, caterers and lounges—these shows featured seminars, equipment displays and a wide range of special events and speakers.

The *Missouri Restaurant Association's* 34th Annual Foodservice and Equipment Exposition, provided educational sessions with topics ranging from "Proven Ideas to Increase Sales and Profits" to "Food Cost Control." MRA's keynote speaker was Ted Balestreri, president of the California Restaurant Association and NRA vice president.

Similarly, the *Kansas Restaurant Association* held its 51st Annual Midway USA Regional Foodservice Exposition. It featured nearly 200 exhibitors. Attendees were invited to share in KRA's Oktoberfest—complete with German cuisine and entertainment.

Held in Atlanta, the 5th Annual Southeastern Hospitality and Foodservice Show, produced by the *Georgia Hospitality and Travel Association*, offered an International Wine Festival with wine tasting sessions, 400 exhibits and seminars designed for the connoisseur and the novice alike. Attendees were favored by an address from Georgia Governor Joe Frank Harris.

Organized by the *Illinois Restaurant Association*, the 3rd Annual Midwest Regional Foodservice Show included 350 exhibitors and the 5th Annual Chicago Culinary Arts Salon.

—*Shannon Tuel*

BOARD ROOM

President Reagan honors NRA for its efforts to employ the handicapped

On December 20, 1984, President Ronald Reagan presented a plaque to NRA President Harris O. Machus (Harris O. Machus Enterprises, Birmingham, MI) in the Oval Office of the White House in recognition of NRA's effort to promote employment of the developmentally-disabled in foodservice.

Last summer NRA endorsed the President's initiative to strengthen private sector job opportunities for the developmentally-disabled by pledging to secure 10,000 jobs for the handicapped in 1984. This recent honor was in recognition of the effort made by NRA.

Commenting on NRA's six-year program on behalf of the handicapped, NRA President Harris Machus said, "The National Restaurant Association is committed to finding meaningful employment for the handicapped in foodservice, an industry traditionally hampered by high employee turnover rates. The association has met its goal to secure 10,000 jobs for the handicapped in 1984 and has pledged to obtain an additional 10,000 jobs in 1985."

NRA is a participant in Projects With Industry

President Reagan honors NRA President Harris Machus for the association's efforts to promote employment of the developmentally disabled.

(PWI), a government-industry program that funds training for the handicapped and mentally-disabled. The association encourages rehabilitation services and facilities to approach area restaurant associations and establishes direct links among vocational rehabilitation counselors, training centers and industry employers.

The developmentally-disabled, an expected 3.9 million individuals in the United States, are persons with severe chronic disorders manifested early in life. They include those who are mentally-retarded and autistic as well as individuals suffering from cerebral palsy, epilepsy and other impairments.

NRA Director Peterson tells of foodservice opportunities

NRA Director Jim Peterson (Whataburger, Inc., Corpus Christi, TX) recently addressed 350 leaders in vocational education at NRA's annual hospitality education breakfast in New Orleans, LA. Peterson delivered an early-morning presentation outlining the tremendous opportunities available in foodservice to anyone with a willingness to work and a desire to learn. NRA's hospitality education breakfast is held each year at the American Vocational Association convention.

NRA Director Jim Peterson discussed foodservice opportunities at NRA's annual hospitality education breakfast during the American Vocational Association Convention in New Orleans.

Machus urges foodservice execs to join industry fight against new Treasury tax proposal

NRA President Harris Machus (Harris O. Machus Enterprises, Birmingham, MI) recently told board members of the Restaurant Association of the State of Washington and the Washington State Lodging Association that "This is the time for the hospitality industry to speak with one strong voice. Today the risk of government intervention may be greater than anytime in recent decades."

Machus was referring to the foodservice industry's opposition to the Treasury Department revision to the income tax code, a provision that would limit the deductibility of business meals to $10 per person for breakfast, $15 for lunch and $25 for dinner.

Sympathizing with the government's need to reduce the federal deficit, Machus said, "We are all in agreement that the federal deficit should be reduced; however, we would like to see that goal achieved without restraining the growth of the private business sector. . . .

"Entertaining a prospective client, customer or supplier at a meal is a legitimate cost of doing business. It should be categorized as a promotional expense. In fact, capping the business meal deduction is analogous to placing an artificial limit on the promotional budget of a corporation."

With research indicating that most restaurants operate on a four to five percent profit margin, Machus said that a reduction in the business meal deduction would necessitate the closing of many nationally-acclaimed restaurants and result in employment disruption for thousands of foodservice employees. His address also revealed startling new findings from Chase Econometrics, a respected economic research firm, pointing to decreased federal and state revenues, a rise in the national unemployment rate and increases in the federal deficit if Treasury's proposal were enacted.

Chase Econometrics predicted the following consequences if the proposed reduction in business meal deductions were enacted in 1986:

- the loss of 140,000 jobs in the total economy and a rise in the national unemployment rate of one-tenth of one percent the first year.
- a net loss in the first year of $1.1 billion to local, state and federal treasuries through decreased personal income and Social Security taxes and increased federal government expenditures for unemployment compensation and welfare payments. (The net loss would be $540 million to state and local treasuries and a projected $570 million to the federal government.)

Voicing the concerns of the foodservice industry, Machus told these foodservice executives, "At a time when reducing the federal deficit is a primary concern, it would be counterproductive to change the tax law in a manner which reduces federal revenues by a significant amount and at the same time seriously disrupts an industry that accounts for five percent of the gross national product.

"The hospitality industry provides America with high-quality food and lodging away from home. It provides jobs for millions. It makes a significant contribution to the economy and to local, state and federal treasuries. Working together, we can and must convince our political leaders to preserve the conditions which allow us to accomplish all this and more."

—Dorothy Dee

Current and projected employment trends in the foodservice industry

For at least another decade job opportunities in the foodservice industry will continue to outpace those in most other industries. According to Bureau of Labor Statistics' employment projections, jobs in foodservice will jump 32 percent between 1982 and 1995, compared with a slower 25 percent average gain for all occupations.

Proportion of major occupations in eating and drinking places for 1995

Bartenders	5.1%	
	4.8%	Clerical workers
Cooks	13.3%	
	1.9%	Hosts/hostesses
Fast food preparation and service workers	16.4%	
	8.6%	Kitchen helpers
Managers, officials,	7.3%	
	26.8%	Waiters/waitresses
Waiter assistants	3.7%	
	12.1%	Other
Total	**100.0%**	

Source: Bureau of Labor Statistics

Demographic trends will affect employment patterns . . .

Several demographic factors will alter the makeup of the work force and thus affect the total employment picture through the next decade. For instance, the aging population will mean that there will be fewer young workers to accept entry-level jobs. The number of employees between the ages of 16 and 24 is expected to drop substantially between 1982 and 1995—14 percent. The bulk of the labor force will be between 25 and 55 years of age, and the 35 to 44-year-old segment will experience the largest increase—64.4 percent.

Another trend that will affect the pool of available workers is the continuing influx of women into the labor force. Women will account for almost two-thirds of the growth in the work force between 1982 and 1995. Blacks and other minority groups will also account for a large proportion of the growth—almost a quarter.

Economic and lifestyle trends will affect employment trends during the next decade as well. Service industries, such as foodservice, should prosper as personal income rises with the growth of two-income families and consumers place increasing emphasis on convenience. This trend will help boost foodservice industry sales and increase the number of foodservice employees.

Restaurant cooks fastest growing foodservice occupation . . .

Among the general foodservice occupational categories (which include both institutional and commercial workers), restaurant cooks will experience the fastest growth with total jobs increasing 42 percent between 1982 and 1995. Food preparation and service workers at fast food restaurants will post the second strongest gain—37 percent. Jobs for bartenders; hosts/hostesses; kitchen helpers; pantry, sandwich and coffee makers; and waiters/waitresses will also experience above average increases.

Waiters and waitresses will continue to be the largest employment segment among foodservice occupational groups. The number of waiters and waitresses should reach 2.2 million by 1995, accounting for a quarter of foodservice jobs. Cooks capture the number two spot with 18 percent of all foodservice occupational positions.

Eating and drinking place employment . . .

The Bureau of Labor Statistics also projects employment growth among specific industries. Employment projections for the eating and drinking place segment (which do not include individuals employed in other areas of the foodservice industry, such as institutional workers) show that the number of eating and drinking place employees will jump 37 percent between 1982 and 1995. Top growth will occur among cashiers (50.0 percent); restaurant, cafeteria and bar managers (46.6 percent) and restaurant chefs (46.2 percent). Jobs among kitchen helpers and bartenders should also increase faster than the industry average.

Waiters and waitresses comprise the largest proportion of eating and drinking place employees—27 percent. Food preparation and service workers at fast food restaurants make up the second largest group, accounting for 16 percent of all eating and drinking place employees.

Foodservice job replacement rates . . .

Another way to look at the overall job outlook is to examine the average replacement rates for different foodservice occupations. These projected rates estimate the percentage of workers that will change occupations or leave the labor force each year. Since the majority of job openings are created by the need to replace workers, projected replacement rates can help estimate future employment needs.

According to Bureau of Labor Statistics data, the average projected replacement rate for all industries will be 19.4 percent between 1980 and 1990. This means, on the average, 19.4 percent of all workers are expected to change jobs or drop out of the labor force each year during the period between 1980 and 1990.

Most foodservice occupations experience higher than average replacement or turnover rates. For instance, among the reported foodservice occupations, the highest replacement rate is expected to be among waiter assistants—57.7 percent. Dishwashers are second with a projected 51.8 percent average replacement rate. Food counter and fountain workers follow with a 47.2 percent replacement rate.

Projected replacement rates* 1980–1990

Restaurant, cafe and bar managers	18.9%
Other foodservice workers	26.8%
Cooks	30.2%
Bartenders	31.0%
Waiters/waitresses	39.8%
Food counter, fountain workers	47.2%
Dishwashers	51.8%
Waiter assistants	57.7%
Total employees, 16 years old and over	**19.4%**

** Projected replacement rates estimate the percentage of workers that will change occupations or leave the labor force each year between 1980 and 1990.*

Source: Bureau of Labor Statistics

One reason for the high turnover in these categories is the large number of teenagers employed in these jobs. According to BLS data, 48.3 percent of the workers between 16 and 19 years old left their jobs during 1980.

The lowest turnover among foodservice occupations is expected to be in the restaurant, cafeteria and bar manager category—18.9 percent. Cooks and bartenders also will experience comparatively moderate turnover, with projected replacement rates of 30.2 percent and 31.0 percent, respectively.

Foodservice occupational employment projections* (000)

Occupation	Employment 1982	Employment 1995	Percent change
Bakers, bread and pastry	36	46	28%
Bartenders	384	505	32%
Butchers, meat cutters	191	179	−6%
Cooks and chefs	1,211	1,613	33%
• Institutional	423	536	27%
• Restaurant	351	500	42%
• Short order and fast food	437	578	32%
Food preparation and service workers, fast food restaurants	809	1,106	37%
Hosts/hostesses	113	154	36%
Kitchen helpers	850	1,155	36%
Pantry, sandwich and coffee makers	84	112	34%
Restaurant, cafeteria and bar managers	574	711	24%
Waiters/waitresses	1,665	2,227	34%
Waiter assistants	302	388	29%
All other foodservice workers	559	734	31%
TOTAL	**6,778**	**8,931**	**32%**

**Does not include professional, technical or sales workers. The National Restaurant Association estimates that, including all sectors of the foodservice industry, there are approximately eight million individuals currently employed in foodservice.*

Source: Bureau of Labor Statistics

Eating and drinking place employment projections* (000)

Occupation	Employment 1982	Employment 1995	Percent change
Bread and pastry bakers	22	30	36.4%
Bartenders	240	333	38.8%
Clerical workers	224	314	40.2%
Cashiers	150	225	50.0%
Cooks and chefs	630	871	38.2%
• Restaurant	260	380	46.2%
• Short order and fast food	369	490	32.8%
Food preparation and service workers, fast food restaurants	783	1,074	37.2%
Hosts/hostesses	93	127	36.6%
Kitchen helpers	392	567	44.6%
Managers, officials and proprietors	329	480	45.9%
• Restaurant, cafeteria and bar managers	311	456	46.6%
Pantry, sandwich and coffee makers	52	71	36.5%
Professional, technical and related workers	30	41	36.7%
Waiters/waitresses	1,320	1,757	33.1%
Waiter assistants	193	241	24.9%
Other workers	473	646	36.6%
TOTAL	**4,781**	**6,552**	**37.0%**

**Only includes workers included in SIC code 58 and does not include workers in other foodservice segments, such as institutional and lodging employees.*

Source: Bureau of Labor Statistics

Average annual openings . . .

It is possible to estimate the number of average annual openings for foodservice occupations by combining the total number of jobs generated by people leaving their positions and the number of new jobs created by expansion.

For instance, waiters and waitresses make up the largest employment category among the foodservice occupations and have a relatively high replacement rate—39.8 percent. Consequently, the number of waiter and waitress jobs generated annually by workers leaving positions is expected to be a substantial 774,000 between 1982 and 1995. Adding the number of new jobs created each year (40,000) brings the total average annual openings to 814,000 per year.

Average annual job openings 1982–1995

	Replacement jobs	New jobs	Total openings
Waiters/waitresses	774,000	40,000	814,000
Cooks	426,000	29,000	455,000
Waiter assistants	199,000	6,000	205,000
Bartenders	138,000	9,000	147,000
Restaurant, cafe and bar managers	121,000	10,000	131,000

Source: Bureau of Labor Statistics, NRA

Another large employment sector, cooks and chefs, is projected to average 455,000 openings annually. Of this figure, 426,000 should come from annual replacement openings, and 29,000 should come from new jobs created by expansion.

Waiter assistants, a fairly small employment category with a very high replacement rate, should average 205,000 openings annually. Only 6,000 new job openings are expected due to the small size of the segment. The balance—199,000 openings—is projected to come from replacement needs.

A total of 131,000 average annual openings is projected for restaurant, cafeteria and bar managers. On average, 10,000 new jobs will be created in this segment each year, and 121,000 openings are expected to come from replacement needs.

Although the bartender sector is smaller than the restaurant, cafeteria and bar manager group, bartenders are expected to average a higher number of annual openings—138,000. This is due to the somewhat higher 31.0 percent replacement rate in this segment. The number of new jobs in this group is expected to average 9,000 per year. This brings the total average openings to 147,000.

Current employment patterns . . .

Because future trends often grow out of current patterns, the following sections highlight the results of the *1980 Census of Population* to illustrate the current employment patterns in the foodservice industry.

According to the census, almost two-thirds of all foodservice workers are women. Women outnumber men in six out of 10 reported occupational categories. Occupations employing the largest percentage of women are waiters and waitresses (88 percent), food counter and fountain workers (81 percent) and kitchen and food preparation workers (78 percent).

Proportion of foodservice employment by sex

	Male	Female
Bartenders	56%	44%
Cooks, except short order	42%	58%
Short order cooks	62%	38%
Food counter and fountain workers	19%	81%
Kitchen and food preparation workers	22%	78%
Managers, eating and drinking places	66%	34%
Supervisors	43%	57%
Waiters/waitresses	12%	88%
Waiter/waitress assistants	57%	43%
Total foodservice workers	**36%**	**64%**

Source: *1980 Census of Population,* U.S. Department of Commerce

More men than women are employed in only four occupational segments: managers (66 percent), short order cooks (62 percent), waiter and waitress

Foodservice employment profiles

The Bureau of Labor Statistics presents employment profiles for a number of occupations based on data from the occupational employment statistics survey and the current population survey. The following summarizes BLS employment profiles for three major foodservice occupations using 1982 data.

Bartenders

Selected characteristics of workers:

- females—50.0 percent
- part-time workers—34.7 percent
- blacks—2.6 percent

Industry concentration of employment:

- eating and drinking places—70.5 percent

Cooks and chefs

Selected characteristics of workers:

- females—49.9 percent
- part-time workers—38.9 percent
- blacks—15.3 percent

Industry concentration of employment:

- eating and drinking places—54.5 percent
- educational services—20.7 percent

Waiters and waitresses

Selected characteristics of workers:

- females—88.6 percent
- part-time workers—58.1 percent
- blacks—13.0 percent

Industry concentration of employment:

- eating and drinking places—80.3 percent
- hotels and other lodging places—8.9 percent

assistants (57 percent) and bartenders (56 percent).

Half of all workers are under 24 years of age . . .

The foodservice industry hires a substantial number of young employees. According to the *1980 Census of Population*, almost half of all foodservice workers are between 16 and 24 years old. A whopping three in ten workers are teenagers aged 16 to 19. In comparison, the proportion of teenagers employed in all industries is a small seven percent. At the other end of the spectrum, a relatively small proportion of foodservice employees is over 55 years old—12 percent. Interestingly, the median age for foodservice workers varies by sex. The median age for male employees is 22 years, while the median for female workers is a higher 30 years.

The census details age group information in two foodservice occupational categories—waiters/food counter workers and cooks. In general, a larger number of young people are employed as waiters and food counter workers, and a greater proportion of cooks are older workers.

For instance, 55 percent of all waiters and food counter employees and 40 percent of all cooks are 16 to 24 years old. On the other hand, only 15 percent of the waiters and food counter workers are over 45 years old, while almost one in three cooks are 45 years old and over.

The median age for men and women also varies for these occupational categories. In the waiter and food counter segment, the median age for both male and female workers is about 24 years. For cooks the median age varies by sex. The median age for male cooks is 21 years, while the median age for female cooks is a much higher 42 years.

Many part-time workers in foodservice . . .

The *1980 Census* reports that more than half of all foodservice employees work less than 35 hours a week. This compares with a much lower 21 percent recorded for all industry workers. Fourteen percent of foodservice employees work less than 15 hours per week versus five percent of all industry workers.

One out of three foodservice employees work 35 to 40 hours each week, compared with a larger 54 percent of all industry workers. And, fewer foodservice workers are apt to work more than 40 hours a week—11 percent—than individuals in other occupations—26 percent.

Looking at individual occupational categories shows that waiters and food counter workers are more likely to work shorter hours than cooks. Almost two-thirds of all waiters and food counter employees work less than 35 hours a week compared with about half the cooks. Along the same lines, 14 percent of all cooks work more than 41 hours a week, versus only eight percent of waiters and food counter workers.

Foodservice employment—a challenge . . .

During the next decade, operators will face continued high turnover rates and declining numbers of young workers. To combat these factors, operators may have to focus on other potential employee segments, such as older workers and handicapped individuals. Other possible solutions may include increased training and tuition credit programs and improved benefit packages to make employment more attractive.

—Cecelia Niepold

Proportion of weekly hours among foodservice workers

Weekly hours	Total foodservice occupations	Waiters/ food counter workers	Cooks
1–14 hours	14%	15%	10%
15–34 hours	42%	49%	37%
35–40 hours	33%	28%	39%
Over 40 hours	11%	8%	14%
Total	**100%**	**100%**	**100%**

Source: *1980 Census of Population*, U.S. Department of Commerce

Proportion of foodservice employees by age and sex

	Male	Female	Total
16–19-year-olds	14%	15%	29%
20–24-year-olds	7%	11%	18%
25–34-year-olds	6%	11%	17%
35–44-year-olds	3%	9%	12%
45–54-year-olds	3%	9%	12%
55–64-year-olds	2%	7%	9%
65 years old and over	1%	2%	3%
Total	**36%**	**64%**	**100%**

Source: *1980 Census of Population*, U.S. Department of Commerce

Spotlight on fast food workers

Fast food restaurants represent one of the largest segments of the foodservice industry and naturally generate a substantial number of jobs. Here are some characteristics of fast food workers as reported in *Fast Food Jobs*, a study produced by the National Institute for Work and Learning.

According to the report, fast food restaurants generally employ a larger than average number of young people. Seven out of 10 fast food workers are under 21 years old. A substantial 43 percent are between 18 and 20 years old. Only 16 percent of fast food workers are over 25 years old—a remarkably low percentage.

The mean length of employment for most fast food employees is about a year and a half. One quarter of fast food workers stays with their jobs over two years, and a similar proportion is employed for six months or less.

A large number of fast food workers are part-time employees. The study reports that 14 percent of fast food employees work less than 16 hours a week. Almost a quarter work between 16 and 24 hours a week. One in three employees generally work between 26 and 35 hours a week. Only 32 percent are full-time workers and average more than 35 hours per week.

1985 food costs to rise at a moderate pace

There should be no surprises in food cost increases in 1985. NRA expects wholesale food prices to rise 5.0 percent in 1985, similar to 1984's gain. Economists at U.S. Department of Agriculture's (USDA) Agricultural Outlook Conference agree that the increase will be moderate. A relatively small advance in marketing costs, more moderate consumer demand due to a slowdown in economic growth, and adequate supplies will help hold down food costs.

This article highlights the latest USDA commodity information so operators can get a better understanding of what will be happening to wholesale food costs in the coming months.

Beef production down . . .

Beef production will decline in 1985 due to a sharp reduction in the slaughter of cattle. A lower inventory, higher cattle prices and improved forage conditions are behind the reduction in slaughter. As a result of lower beef supplies and continued consumer demand, beef prices should increase slightly in 1985.

Outlook:

- Overall, beef supplies this year are expected to be three to four percent lower than in 1984, and total production is estimated to reach 22.5 billion pounds versus 23.5 billion pounds last year.
- During the first half of the year, beef production should decline four to six percent from 1984's level. During the second half of 1985, production is estimated to drop two to five percent.
- The price for choice grain-fed steers at Omaha should peak at $70 per cwt. in the spring—an advance of 6.1 percent from $66.01 per cwt. in spring 1984.
- For the entire year, prices are expected to average between $65 to $69 per cwt.—up a slight 3.1 percent from an anticipated $65 per cwt. for 1984.

Pork production to approximate 1984 levels . . .

Pork production in 1985 is expected to approximate 1984 levels. Production will decline in the first half of the year as hog producers start rebuilding their inventories, it should rebound in the second half. Prices are expected to climb slightly because of lower beef supplies and moderate consumer demand.

Outlook:

- For the year, pork supplies should total 14.6 billion pounds, mirroring 1984's level.
- Production in the first quarter is expected to reach 3.6 billion pounds—down three percent from 3.7 billion pounds in the first quarter of 1984.
- Second quarter production should drop another two percent, from 3.7 billion pounds in 1984 to 3.6 billion pounds.
- In the second half of the year, pork supplies are forecast to advance two percent from 1984's comparable period.
- Hog prices in the seven major markets will advance 4.2 percent in the first quarter of this year over 1984 prices—from $48 per cwt. to $50 per cwt.
- Second quarter hog prices should range between $48 to $54 per cwt.—a gain of 4.1 percent from $49 per cwt. in 1984's comparable period.
- USDA expects pork prices at the wholesale level will rise 3.9 percent in the third quarter and advance 7.5 percent in the final three months of 1985 over the same period in 1984.
- For the entire year, prices should average $51 per cwt.—a 5.1 percent gain over the anticipated $48.50 per cwt. in 1984.

Broiler supplies to increase . . .

Broiler output is forecast to reach 13.6 billion pounds in 1985—up about five percent from 1984, according to USDA Economist Alan Baker. Lower feed costs, higher beef and pork prices as well as a slowly expanding economy will all affect supplies. Increased supplies translate into lower broiler prices in 1985 as prices will likely average below 1984 levels through the first three quarters of the year.

Outlook:

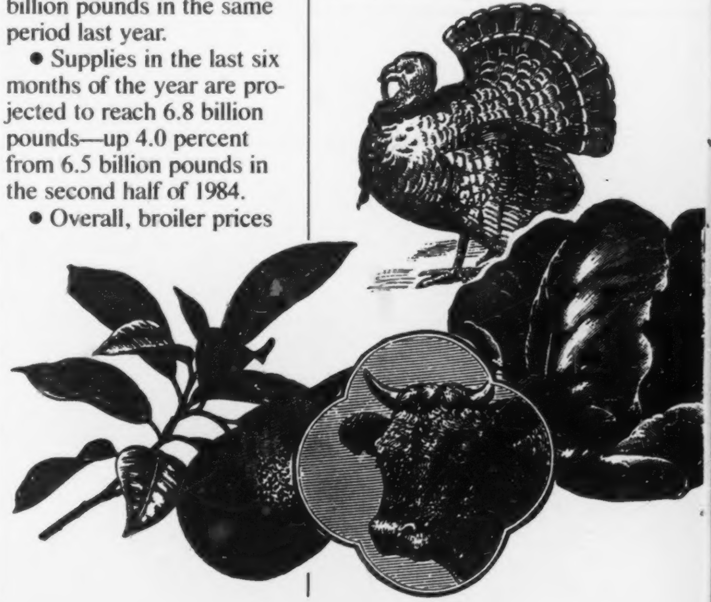
- Broiler production should advance 6.3 percent in the first quarter, increasing to 3.3 billion pounds from 3.1 billion pounds in the first quarter of 1984.
- Second quarter production is expected to total 3.5 billion pounds versus 3.4 billion pounds in the same period last year.
- Supplies in the last six months of the year are projected to reach 6.8 billion pounds—up 4.0 percent from 6.5 billion pounds in the second half of 1984.
- Overall, broiler prices this year should average 48 to 54 cents per pound, down 7.3 percent from 54 to 56 cents per pound in 1984.

Egg production up through 1985 . . .

The egg industry has more than recovered from the outbreak of avian flu last winter. In the third quarter of 1984, production rose, and supplies will more than likely continue to rise for the remainder of 1984 and into 1985. This increased production should result in lower egg prices in 1985.

Outlook:

- Egg supplies should be up in all four quarters in 1985 over comparable periods in 1984. For the year, production should rise 2.2 percent to 5.8 billion dozen.
- During the first half of 1985, the wholesale price of cartoned Grade A large eggs in New York is expected to average 64 to 69 cents per dozen, down from 93 cents a dozen in 1984—a decline of 28.5 percent.
- In the second half of 1985, egg prices should approximate the 68.5 cents per dozen anticipated for the second half of 1984.



Percent change in wholesale commodity prices (1976 to first 10 mos. 1984)

Commodity	1976 to 1977	1977 to 1978	1978 to 1979	1979 to 1980	1980 to 1981	1981 to 1982	1982 to 1983	10 mos. 1983 to 10 mos. 1984
Bakery products	3.5%	7.8%	10.0%	11.7%	8.3%	3.3%	3.2%	4.9%
Flour and cereal	−5.8	13.1	12.4	12.3	−7.0	−5.3	1.1	1.8
Beef and veal	1.0	28.4	24.7	3.2	−5.0	−0.8	−3.3	−0.6
Other meats	−4.4	16.7	−2.8	−2.7	7.6	16.9	−8.7	−1.8
Poultry and eggs	0.1	8.1	0.7	1.0	2.4	−6.7	3.2	16.1
Fish and shellfish	8.0	6.4	22.6	−3.2	1.8	11.8	6.3	9.6
Sugar and sweets	−7.2	6.6	6.9	35.4	−2.9	−2.6	5.0	2.7
Vegetables	4.2	6.0	2.0	7.5	22.6	−4.4	1.2	12.0
Fruits and juices	12.0	17.6	8.7	4.2	4.1	2.9	2.9	6.2
Beverages	43.5	−8.6	0.8	0.8	−2.3	4.5	1.3	5.0
Dairy products	3.0	8.6	12.1	12.1	6.4	1.3	0.6	nc
Fats and oils	14.0	6.1	6.4	6.4	2.1	−1.4	8.8	4.2
NRA Food Cost Index	**5.8%**	**11.2%**	**12.2%**	**5.0%**	**3.0%**	**2.5%**	**0.7%**	**5.0%**
Producer Price Index, All Food Index[1]	**4.4%**	**10.5%**	**9.5%**	**8.0%**	**3.1%**	**1.1%**	**1.1%**	**5.0%**

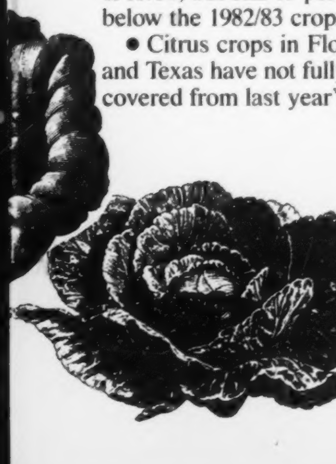
[1] *Includes all processed foods (except soft drinks, alcoholic beverages and animal feeds) plus eggs and fresh and dried fruits and vegetables.*
Sources: *Producer Price Index*, Bureau of Labor Statistics; NRA

Smaller fruit supplies anticipated . . .

According to USDA, smaller supplies of fruit can be expected during the 1984/85 season. Although lower supplies and rising demand for fresh fruit will keep prices relatively firm, moderate gains in marketing, labor and transportation costs will work to dampen wholesale fruit price gains.

Outlook:

- USDA's 1984/85 projection for citrus production is 11.5 million tons—an eight percent increase over 1983/84, but still 15 percent below the 1982/83 crop.
- Citrus crops in Florida and Texas have not fully recovered from last year's freeze. Because the citrus supplies coming out of Texas are insignificant, they are not being included in the forecast for total citrus production.
- Despite larger 1984/85 citrus crops, most citrus prices should remain at a high level because of strong consumer demand.
- The 1984/85 non-citrus crop production, including major tree fruits, grapes and strawberries, is forecast at 12.9 million tons, approximating the 13.0 million tons produced last year.



Vegetable supplies on the rise . . .

Based on 1984 production, the 1985 supply of vegetables, potatoes and dry edible beans is expected to increase. Because fresh vegetable prices were relatively high last year, growers are going to increase plantings in 1985. As a result of these increased vegetable supplies, prices should decline.

Outlook:

- Consumer demand for vegetables and potatoes will have a positive effect on vegetable production.
- The growing popularity of vegetables, such as broccoli and cauliflower, will prompt additional production.
- Technological advances, resulting in greater productivity from existing acreage, will help to increase vegetable output.

Slight increase in dairy output expected . . .

Throughout 1984, the dairy industry has been greatly affected by the government's diversion program, a program which was implemented to reduce supplies. Under this program, participating milk producers are paid $10 per cwt. to reduce milk output by five to 30 percent. So far, 1984 figures reveal that the program is helping to reduce output. Milk production has declined 2.8 percent, from 140 billion pounds in 1983 to 136 billion pounds. The program is scheduled to end in March 1985, and chances are it will not be extended.

Outlook:

- In 1985, milk production is expected to be up about one percent to 137 billion pounds from 136 billion pounds in 1984.
- The price of milk is forecast to drop 35 to 75 cents below 1984's expected level of $13.37 per cwt.
- Lower prices are also expected for milk-based products, such as butter and cheddar cheese.

Current issues report: 1985 food supplies and policies

In early February, NRA will publish a report that will project food supplies and prices for 1985. This report will include an in-depth analysis of the food situation from USDA's point of view as well as projections from many of the major food commodity trade associations.

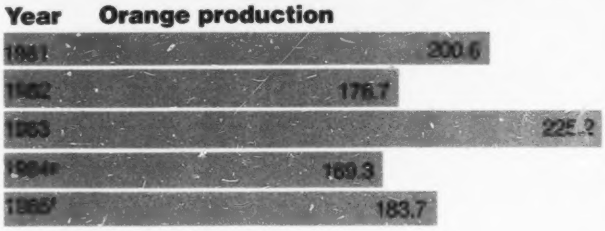
Juice up your profits with orange juice

Even though orange juice consumption is on the rise, restaurateurs aren't taking advantage of its juicy potential. Between 1979 and 1984, orange juice consumption increased 16.5 percent from 944 million gallons to 1.1 billion gallons; but in 1984, only 25 percent of all orange juice was consumed away from home.

Yet according to *1984 Menu Census*, orange juice has become one of the best selling beverages in the industry, ranking among the top five.

U.S. orange production 1981 to 1985

(millions of boxes)



p—projected f—forecast

Source: U.S. Department of Agriculture

Customer preferences . . .

One reason for the juice's popularity is that many people prefer it to such beverages as soft drinks or coffee. In fact, a 1982 survey conducted for the Florida Department of Citrus by Market Facts, Inc. indicates that four out of 10 consumers reported they would order orange juice throughout the day if it were available. The report also suggests that many consumers like drinking orange juice over ice.

Customers interviewed also seem to prefer larger servings of orange juice—12-ounce and 16-ounce glasses over the smaller six-ounce and eight-ounce servings. Additionally, almost one-third of the consumers indicate that they would rather pay 10 cents more for a 16-ounce serving of orange juice than they would for a 16-ounce glass of their regular beverage.

Where is orange juice being served? . . .

Commercial restaurants make up about 42 percent of all away from home orange juice sales, with the rest occurring at institutional foodservice operations, such as schools and hospitals. In 1984, commercial restaurants are expected to sell 114 million gallons of orange juice, an advance of 2.3 percent from 1983 when consumption was 111.2 million gallons.

Among commercial restaurants slightly more than half (55 percent) serve orange juice, reveals the Florida Department of Citrus. However, some types of restaurants are more likely than others to offer orange juice on their menus. In 1984, nearly nine out of 10 hotel/motel restaurants listed orange juice on their menu—more than any other type of eating establishment.

In addition, about six out of 10 tableservice establishments, operations in which over 50 percent of the food is served at the table, offer orange juice. A nearly equal proportion of counter service restaurants (diners or cafeterias) served orange juice in 1984. Four out of 10 fast food restaurants served orange juice in 1984, up substantially from 1981 when one-third of these establishments offered this beverage. Much of this growth can be attributed to the increasing number of fast food restaurants that now serve breakfast.

1984 in-home orange juice consumption by age and sex

Age	Total consumption by age	Consumption by sex	
		Male	Female
U.S. average	100	100	100
6 and under	109	92	122
7 to 12	109	117	100
13 to 17	121	160	75
18 to 24	73	85	61
25 to 34	72	78	82
35 to 49	89	85	91
50+	124	128	120

***NOTE:** The index is based on the proportion of orange juice consumed by the individuals in the segment, divided by the proportion of people in that group. For example, the 109 index for children six and under indicates that these children drink nine percent more orange juice than the national average. The U.S. average is considered to be the base and is indexed at 100.*

Who drinks orange juice? . . .

People of all ages drink orange juice, but two groups in particular stand out as ardent drinkers. Consumers under 18 years old drink 12.5 percent more orange juice than the average American, and consumers 50 years and older drink 24.0 percent more orange juice than the national average, according to a study measuring "in-home" orange juice consumption by the Florida Department of Citrus.

Individuals 18 to 34 years old tend to drink considerably less orange juice at home than the U.S. norm. NRA's *Meal Consumption Behavior* study reveals that these people are likely to skip breakfast, and therefore it is not surprising that their in-home consumption is lower. (Three-fourths of the orange juice that is consumed at home is drunk at breakfast.) Since this group eats breakfast away from home more frequently than most Americans, they are probably drinking much more orange juice than these low in-home consumption figures indicate.

There are also differences in orange juice consumption between men and women. Teenage boys drink an overwhelming amount of orange juice at home—60 percent more than the U.S. average for all men. However, girls in this age group consume 25 percent less orange juice than the U.S. norm for women. Girls six and under drink 22 percent more orange juice than the average for all women versus boys in the same age group who consume eight percent less orange juice than the U.S. norm for men.

Both men and women over 50 years old drink above average quantities of orange juice at home. For men the amount is nearly 30 percent above the male average, and for women the amount is approximately 20 percent above the national level for women.

Regional Consumption . . .

Regionally, consumers in the Northeast drink more orange juice than those in any other region—30 percent above the national average. No other region comes close to the Northeast's consumption level. Consumers in the Western and Central states drink eight and nine percent less orange juice, respectively, than the U.S. norm, while consumers in the South drink a substantial 13 percent below the national average.

Unpredictable Mother Nature . . .

Unlike other beverages, Mother Nature can seriously affect orange supplies as well as prices. During the past few years, Florida, which produces about 90 percent of the oranges used to make orange juice, has suffered several freezes. After the 1982 freeze, orange production fell to 176.7 million boxes, a decline of 11.9 percent from 1981's level of 200.6 million boxes. Orange juice prices rose sharply as a result. In January 1982, the Producer Price Index for frozen orange juice climbed 29.8 percent from the same month in 1981, while the February index rose 20.5 percent over February 1981.

The 1984 freeze did even more harm to Florida orange production and managed to practically wipe out Texas orange crops as well. Overall, orange production fell 24.8 percent in 1984 to 169.3 million boxes from 225 million boxes in 1983. As a result, prices have climbed dramatically. In January 1984, before the freeze, the wholesale cost of frozen orange juice rose a moderate 4.1 percent over the same month in 1983. During February, after the freeze had hit, orange juice prices skyrocketed 20.2 percent over February 1983. During the first 10 months of 1984, prices have risen a steep 25.8 percent over the same period a year earlier.

Producer price index for frozen orange juice (1981 to 1984)

Months	1981	1982	1983	1984
January	241.1	312.9	304.0	316.4
February	280.2	337.7	300.8	361.6
March	312.2	334.5	299.6	373.3
April	338.1	326.5	299.1	380.7
May	338.1	315.4	302.3	385.2
June	338.1	308.4	300.7	395.0
July	338.1	308.7	301.0	386.7
August	338.1	307.1	300.8	387.8
September	335.5	307.8	302.4	396.2
October	334.0	307.7	302.5	406.6
November	326.3	307.5	303.8	
December	313.1	303.2	303.9	

Source: *Producer Price Index*, Bureau of Labor Statistics

1984 orange juice consumption in the U.S.

Gallons		Percent
830 million*	At home	75%
270 million*	Away from home	25%
1.1 billion*	Total U.S.	100%

Source: Florida Department of Citrus

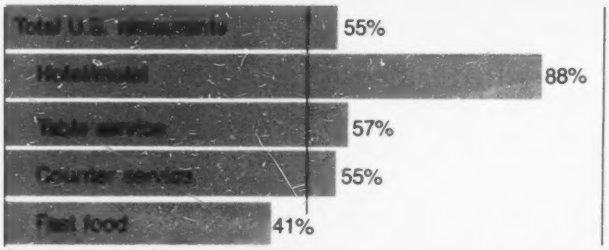
* Estimates.

Away-from-home orange juice consumption

Gallons		Percent
114 million	Commercial restaurants	42%
156 million	Institutional foodservice operations	58%
270 million	Total away from home	100%

Source: Florida Department of Citrus

Percentage of restaurants serving orange juice in 1984



Source: Florida Department of Citrus

Diseases can also take a toll on orange juice supplies. The most recent plight is the citrus canker, a bacterial disease that can kill a tree within two years. There is no known cure except to burn the infected trees and those within a radius of 125 feet.

So far, eight nurseries have been infected, and 6.7 million seedlings have been burned. At least 100,000 more seedlings must be destroyed due to this disease. However, the full ramifications of the canker will not be seen until the spring, according to a spokesperson for a special commission set up by the Florida Department of Agriculture and Consumer Services in conjunction with the U.S. Department of Agriculture. The canker bacteria grows best during spring when humidity is high. At that time, the commission will be able to tell if they were successful in getting rid of all the canker.

In sum . . .

As Americans demand more nutritious foods in their diets, orange juice will continue to be an increasingly popular product. Because only 55 percent of all restaurants presently serve this beverage, the orange juice market could be tapped by restaurateurs.

-Susan Adelman

NRA's Market Research Group discusses market niches

When members of the National Restaurant Association's Market Research Group* met in Portland, OR, last fall, they focused on techniques for identifying market niches and market segments. Areas covered included the need for and use of an information system, how to use advertising research and using weather to predict consumer preferences as well as demographic trends which will affect the restaurant industry during the remainder of this decade.

The need for an information system . . .

Several speakers addressed the need for and use of an integrated information system—a system that takes into account many variables and the possible effects on the marketplace when changes in the variables occur.

Tim Gohmann, director of planning and marketing research at Ponderosa, Dayton, OH, told the group about one way to develop an integrated information system. The steps involved in this process include:

1. Obtain senior management approval and support for the system.
2. Conduct a complete information inventory—what's available, how often is it available, in what format is it available and who has the information.
3. Select data which is valuable.
4. Develop details of the information system—matrix format, software, who is responsible for it, how it can be updated and changed.
5. Initiate a pilot test.
6. Evaluate the pilot test.
7. Get final management approval.
8. Proceed to full-scale application.

Mr. Gohmann emphasized that when developing an information system it is important not to overpromise what it can do and to be sure to get other departments involved.

Other speakers also addressed information systems.

Douglas R. Scott, Ad Factors, Monroe, CT, discussed several ways that information can be used to segment a market, such as usage segmentation (how the product or service is used), user segmentation (who uses it), benefit segmentation (what's important to those who use it) and psychographic segmentation (why it gets used). This type of information can be used to develop site characteristics, menu items and promotions.

Robert J. Siegel, Restaurant Consulting Group, Kenilworth, IL, discussed the need to know not only who the competition is but how many units it has in specific market areas. This information provides insights into market position (share of units, number of people supporting each unit) so organizations can evaluate their development in an area.

Dr. Fred Ward, The Information Professionals, Concord, MA, discussed possible weather effects on restaurant sales and customer counts. Knowing what consumers do when the weather is very hot, very cold, rainy or snowy can help operators develop appropriate products and services and to target their advertising to seasonal needs.

Demographic changes do affect the industry . . .

Two speakers addressed changes in eating out behavior due to demographic changes. Leonard Wood, The Gallup Organization, Princeton, NJ, said that the increase in the incidence of eating out between 1978 and 1983 is due primarily to the increase in the number of women and, in particular, working women who dine away from home. (See accompanying chart.)

Incidence* of Eating Out, 1978–1983

	1978	1983
Total adults	34%	37%
Men	40	42
Women	28	33
Employed full time	35	42
Employed part time	33	37
Not employed	22	24

** Incidence refers to proportion of adults who ate out the day before the survey was taken.*

Source: The Gallup Organization.

Bickley Townsend, associate editor of *American Demographics Magazine*, a monthly magazine that tracks statistical trends, identified seven key demographic trends that are offsetting eating out behavior in this decade. They are:

1. Changing age distribution: aging of the population; the maturation of baby boomers.

2. Changing household composition: more singles; smaller families.

3. The importance of women: changing roles; more working women in higher level occupations.

4. A better educated population: more high school and college graduates.

5. Ethnic diversity: more immigration; changes in places of origin for immigrants.

6. Geographic dispersion: more Americans living in the South and West.

7. Economic segmentation: more dual-income households.

Factors that affect advertising recall, persuasion . . .

Meg Blair of Research Systems Corporation, Evansville, IN, discussed a recent advertising research project that tested factors that can have negative and positive effects on consumer ability to recall advertisements and be persuaded to purchase the product or service.

The single factor most stimulating to recall is the demonstration of the product in use, while information on health and nutrition tends to be forgotten. In terms of persuasion, the most important positive factor is a brand differentiating message while again information on health and nutrition tends to affect persuasion negatively.

—*Bette Hoyt*

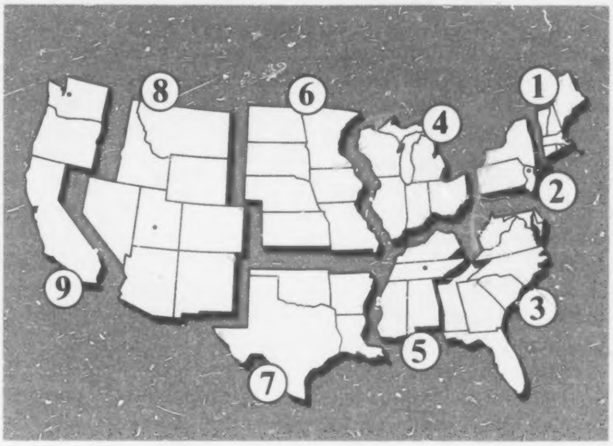
**NRA's Market Research Group is a special group of NRA members who are interested in exchanging information on research techniques and in learning about new research methodologies.*

The next Market Research Group meeting will be held April 10–12, 1985 in Washington, DC. For more information, please contact Bette B. Hoyt at NRA's Washington Office, 311 First St., N.W., Washington, DC 20001.

How's business?

by Cecelia Niepold

Restaurateurs are generally positive about 1985. New Year's resolutions range from getting more members of the community involved in the restaurant to experimenting with new menu items.



①

NORTHEAST

Location: Webster, MA
NRA member: Walt Napierata, Jr.
Operation: Nap's Diner
Profile: Full-service diner
In business: 50 years
Meals served: Breakfast, lunch, dinner
Seats: 80

Business is a little slow, says **Walt Napierata, Jr.,** owner of Nap's Diner. The major industry in Webster is shoe manufacturing, and the influx of less expensive imports has dampened the small town's economy.

Napierata's father opened the diner about 50 years ago, and the restaurant still focuses on serving family-style entrees. Napierata occasionally changes the menu, but the items basically stay about the same "reliable, wholesome American food."

The building itself is about 80 years old. The original marble tops still grace the counters. Many antique dealers have offered to buy the counter tops, but Napierata believes they are an important part of the diner's atmosphere.

②

MIDDLE ATLANTIC

Location: Chester, NJ
NRA member: Louise Blaine
Operation: Larison's Turkey Farm Inn
Profile: Restaurant, farm and gift shop
In business: 11 years
Meals served: Lunch, dinner
Seats: 260

"1984 should be the best year we've ever had," says **Louise Blaine,** general manager of Larison's Turkey Farm Inn. She also anticipates a very good 1985, both for the restaurant and Chester—a small country town about an hour from New York City. Upcoming plans for the restaurant include a new addition.

Larison's Turkey Farm Inn is exactly what the name implies—a restaurant on a turkey farm. More than 3,000 turkeys are raised each year on the 62-acre farm, which also includes other farm animals and a gift shop. The restaurant is located in a restored 1880 farm house and contains authentic Tiffany gas lamps.

The restaurant offers a variety of entrees, but the house specialty is turkey. The range of turkey menu items is extensive and the restaurant cooks more than 25,000 turkeys a year.

③

SOUTH ATLANTIC

Location: Richmond, VA
NRA member: J. Colin Eagles III
Operation: Strawberry Street Cafe
Profile: Neighborhood cafe
In business: 9 years
Meals served: Lunch, dinner, weekend brunch
Seats: 120

Business is on the upswing, says **Grayson Collins,** general manager of the Strawberry Street Cafe. The summer was exceptional—sales stayed 10 percent above last year.

Located in Richmond's historic Fan District, the Strawberry Street Cafe offers a comfortable neighborhood atmosphere. The cafe has developed several unusual features, including an extensive salad bar built into an old four-legged bathtub. The salad bar can easily be a full meal and offers a variety of constantly changing items.

Upcoming plans include a new late night menu and a new design for the current menu. The restaurant plans to use talent from its "own backyard" to perfect its new menu—local art students who work at the cafe will develop the design. Their familiarity with the concept should help create a menu that reflects the restaurant's image.

④

EAST NORTH CENTRAL

Location: Cleveland, OH
NRA member: Donald Strang, Jr.
Operation: Strang Management Corporation
Profile: 3 full-service restaurants
In business: 40 years
Meals served: Lunch, dinner
Seats: 200

Business is going pretty well, maintains **Donald Strang, Jr.,** president of Strang Management Corporation. Although the summer months were a little soft, sales picked up in the fall. The economy in the Cleveland area is "somewhat spotty" but generally seems better than a year ago, he says.

Strang operates three different restaurants in Cleveland, ranging from a traditional establishment in a restored old house to a more casual cafe, but they all specialize in fresh seafood.

One of Strang's successful innovations has been to develop a daily menu. About two-thirds of the entrees are priced daily to allow greater flexibility with fresh and seasonal items. Customers perceive these entrees as being especially good buys since they reflect current market prices.

⑤

EAST SOUTH CENTRAL

Location: Nashville, TN
NRA member: Amy Kurland
Operation: Blue Bird Cafe
Profile: Neighborhood restaurant with live entertainment
In business: 2½ years
Meals served: Lunch, dinner
Seats: 75

Business has been very good for **Amy Kurland,** owner of the Blue Bird Cafe. Located in a shopping area, the cafe is picking up more lunch business, which is building overall sales. The general economy in Nashville seems to be getting better and better.

The Blue Bird Cafe provides quality casual American food in a comfortable atmosphere. Kurland has developed some unique features, however, which sets her restaurant apart. For instance, the cafe offers a variety of live entertainment, ranging from musical acts to comedians. Desserts are baked on-premise, and premium wines by the glass are also available—uncommon features for a moderately priced cafe.

Kurland's New Year's resolution is to make her restaurant even more of a neighborhood establishment by making the take out menu more accessible for area workers.

⑥

WEST NORTH CENTRAL

Location: Hays, KS
NRA member: Lloyd Lundy
Operation: Vagabond Motel, Inc.
Profile: Motel, restaurant and coffee shop
In business: 18 years
Seats: Restaurant, coffee shop—100; private club—40; meeting rooms—175
Meals served: Breakfast, lunch, dinner

Business is a little slow, and the competition is getting stiffer, says **Lloyd Lundy,** managing partner of Vagabond Motel, Inc. In general, the economy in Hays, a small agricultural and university town, is pretty good. The town's location on a busy interstate halfway between Kansas City and Denver is bringing additional business into the area as well as more restaurant and motel competition.

The restaurant is connected with the Best Western Vagabond—a 90-room motel—and offers an extensive menu to please both visiting and local guests.

The Vagabond also has a private club, which primarily serves guests. Kansas law forbids selling alcoholic beverages in public establishments, so operations like hotels and restaurants form private clubs to serve their patrons. Membership is necessary for entry in restaurants, but all guests are automatically members when staying at a hotel or motel.

⑦

WEST SOUTH CENTRAL

Location: Norman, OK
NRA member: Robert Lehman
Operation: Boomerang Restaurant
Profile: Gourmet burger restaurant
In business: 22 years
Meals served: Lunch, dinner
Seats: 120

"Our business is good. November was up almost nine percent," says **Robert Lehman,** owner of the Boomerang Restaurant in Norman—a family and university town 30 miles south of Oklahoma City. Oklahoma's economy is somewhat depressed, mainly because of the oil bust.

Lehman credits his steady business to providing good solid food at moderate prices. The restaurant a self-serve style helps keep overhead costs down.

The Boomerang Restaurant has been serving burgers with a variety of unusual toppings for 22 years, so today's gourmet burger boom doesn't surprise Lehman. His best seller is a burger topped with a made on-premise hickory sauce. The restaurant is also known for its jumbo homemade onion rings.

Although he has tried various sandwiches over the years, the burgers are definitely the best selling items. One recent addition, however, has been a big hit—a charcoaled chicken breast sandwich.

⑧

MOUNTAIN

Location Boise, ID
NRA member: Bob Copeland
Operation: Trolley House
Profile: Small full-service eatery
In business: 1 year
Meals served: Breakfast, lunch
Seats: 66

Business has been pretty good, says **Bob Copeland,** owner of the Trolley House. A lot of new competition in the area is dampening some restaurant sales, however.

Since taking over the Trolley House a year ago, Copeland has remodeled, the restaurant, which features "good ole American food with a flair." He is also continually changing the menu to add more variety.

Interesting menu items include cod, halibut and tenderloin fingers, which are fried in a special batter Copeland's father created.

Copeland believes Idaho's economy will stay about the same in 1985 with no real peaks or valleys. His own plans include continuing to fix up the Trolley House, possibly opening for dinner early in the year and experimenting with new menu items.

⑨

PACIFIC

Location: Seattle, WA
NRA member: Julia Miller
Operation: Julia's 14 Carrot Cafe
Profile: Two eclectic restaurants
In business: 11 years
Meals served: Breakfast, lunch, dinner
Seats: Average 75

Business, in general, was down a little after the election, says **Julia Miller,** owner of Julia's 14 Carrot Cafe. However, she's optimistic about future growth in the area, especially if interest rates drop and the lumber industry improves.

Both of Miller's restaurants (one just opened a year ago) offer fairly eclectic menus, including vegetarian dishes, fresh pasta and seafood. She is opening a bakery soon to service both restaurants.

Miller takes advantage of local artists' work and displays different art shows in the restaurants about every six weeks. This not only changes the atmosphere regularly, it also arouses customer interest. Recent decorations included beautiful Thai needlework.

One of Miller's New Year's resolutions is to become more involved with the community. An upcoming project is participating in a local food drive.

FOOD FOR THOUGHT

Customers support two-drink limit

"We've received nothing but positive reactions," says David Weeks of the Weeks Family Restaurant in Dover, NH, about his restaurant's new two-drink limit policy. "As far as I can tell, people are concerned, and they are ready for stiffer laws and restrictions."

What prompted Weeks to put a cap on drinking at his family-style New England dinner house was his concern for drunk driving. "We are in a location where every one of our customers has to drive to eat here," he says. "And as a holder of liquor license, I think we have to become far more responsible." Weeks has received letters of appreciation from all over the country.

—***NRA NEWS*** interview

Pizza on patrol

The Rascal House in Cleveland, OH, is doing its part to protect its customers. Owner Michael Frangos has hired off-duty policemen as security officers at his pizza parlor/rock video club near the Cleveland State University to cut down on the number of prostitutes and drug dealers who hang around the neighborhood.

To deter vandals and car thieves, Frangos gave his two pizza delivery drivers two-way radios so they could report anything suspicious to the restaurant's security guards. The drivers, who are not policemen, are on the road from 10 a.m. to midnight, and they have reported a number of activities, mostly suspected car thefts.

"The radio helps," says Rascal House Manager Robert Chorba. "But just the truck pulling up and stopping and turning on the lights and making a lot of noise and commotion often is enough for the suspects to take off."

—Washington Times

Acting on faith

The price of the meal is in the customer's hands at Juliano's La Casa de Pasta Restaurant in Warrendale, PA. For any item on the menu—and the range goes from lobster and rib eye steak to fetuccini with garlic butter—the customer determines the worth of the meal and pays that price.

It's a new system for the 15-month old restaurant, which shifted to the no-price structure at the beginning of last December. The inspiration for the change came from owner Jerry Juliano's religious beliefs. "I trust the Lord to meet my needs," he says. "And the lesson for me is that people do pay as fair as they can. Some people underpay slightly; others overpay . . . but it all evens out. . . . "

When asked to explain, Juliano points to his fettucini dish which comes with two meatballs, two slices of bread and a salad bar. He says that he had previously priced the dish at $5.50. Now some customers pay $5.00; others pay $6.00. And it evens out. Has anyone tried to leave a dollar or walk away without paying? No, says Juliano. "People are really good about it."

—***NRA NEWS*** interview

Taking in the homeless

For three days during the Christmas holidays, Les Nieces Restaurant in Washington, DC, served free turkey dinners to as many homeless people as possible. "We can't do it for the whole year, but we can at least do it for the weekend," says Melvin Lewis, the restaurant's chef.

The restaurant, which seats about 50 people, started serving the dinners on December 23 to residents of an 800-bed shelter run by the Community for Creative Non-Violence, a homeless rights advocacy group.

Groups of shelter residents were bused between the shelter and restaurant every 40 minutes between 2 p.m and 6 p.m. The menu included turkey, mashed potatoes, candied yams, green peas and a relish tray. The three days of feeding cost Les Nieces about $1,500.

—Associated Press

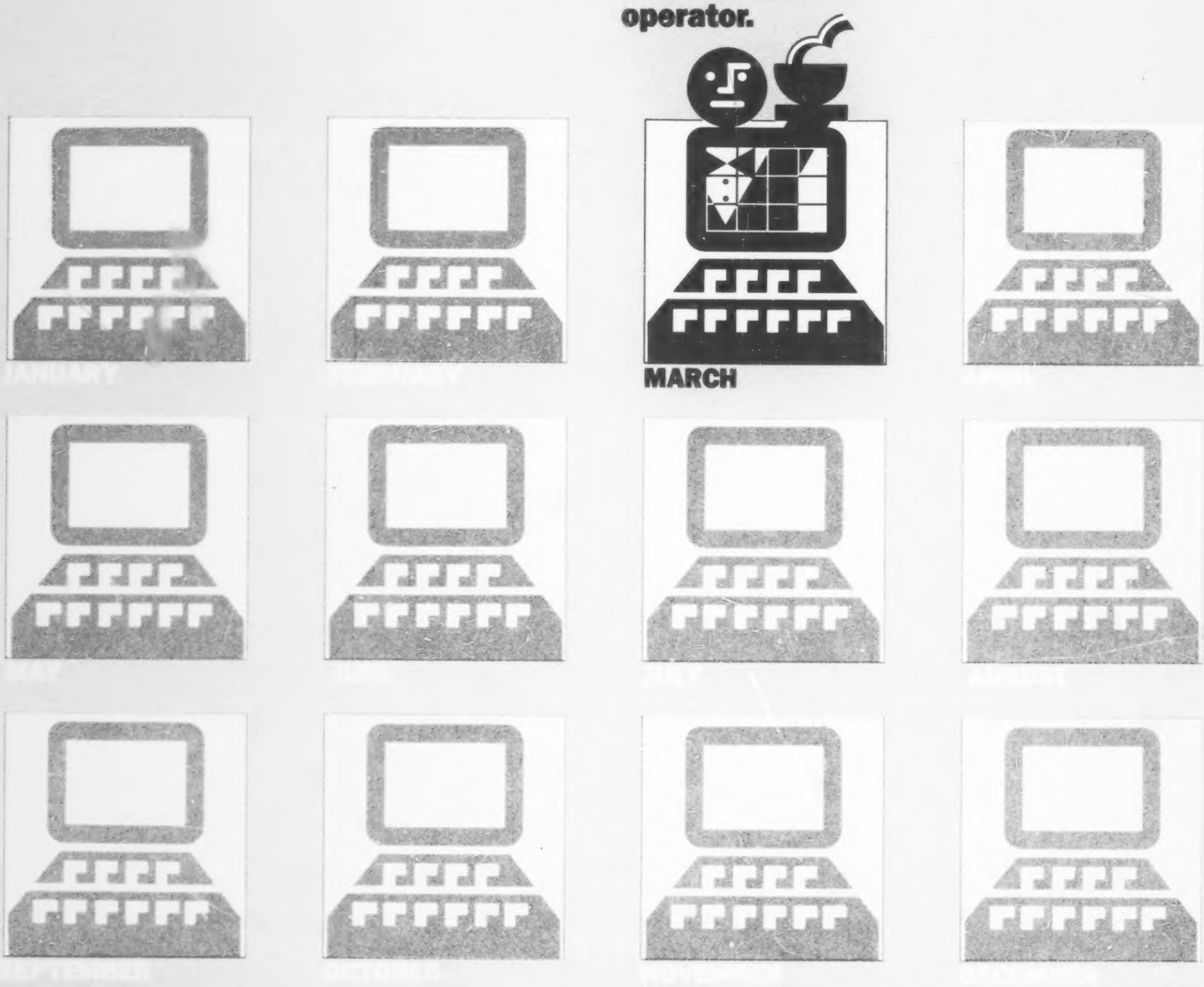
Eating habits continue to change

It's thumbs up for low-calorie foods and thumbs down for convenience foods, processed meats and snacks, according to a recent survey of 3,700 people by Warwick Advertising. When asked about their eating habits since 1983, the sample gave the following responses:

- 42 percent said they eat more low-calorie foods; 9 percent said they eat less low-calorie foods
- 40 percent said they eat less convenience foods; 18 percent said they eat more convenience foods
- 39 percent said they eat less processed meats; 13 percent said they eat more processed meats and
- 48 percent said they snack less often; 8 percent said they snack more often.

—USA Today

Of all the computer forums offered every year, there is just one designed for you—the busy foodservice operator.



COMPUTERS IN FOODSERVICE

The foodservice industry has quickly accepted that the computer can mean high tech, high profits, and high speed. The only thing slow about a computer is the time it takes you to shop around and find equipment which matches your needs.

NRA'S **COMPUTERS IN FOODSERVICE** can speed up that process.

This three-day conference combines seminar and workshop sessions with on-site manufacturers' demonstrations—all geared so you can gather the most current information on computers in foodservice and see state-of-the-art equipment at work.

Day one will focus on point-of-sales equipment and electronic cash registers.

Day two will zero in on back-of-the-house systems, then take a look at the applications of personal computers in foodservice.

Day three will feature seminar programs on customer software and multi-unit computer applications. Also, during the final day of the conference, a group of operators will provide a well-rounded perspective on areas crucial to foodservice computer operations.

You will not want to miss the special features of this year's program—**The Software Supermarket**

NRA members $450
Non-members $550

NATIONAL CONFERENCE ON COMPUTERS IN FOODSERVICE

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LAS VEGAS HILTON
MARCH 24-27, 1985

PRESENTED BY THE NATIONAL RESTAURANT ASSOCIATION

For more information or to register for Computers in Foodservice, complete the coupon between pages 40 and 41 of this issue of **NRA News.**

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National Restaurant Association

Vol. 5 □ No. 2 □ February 1985

NRA NEWS

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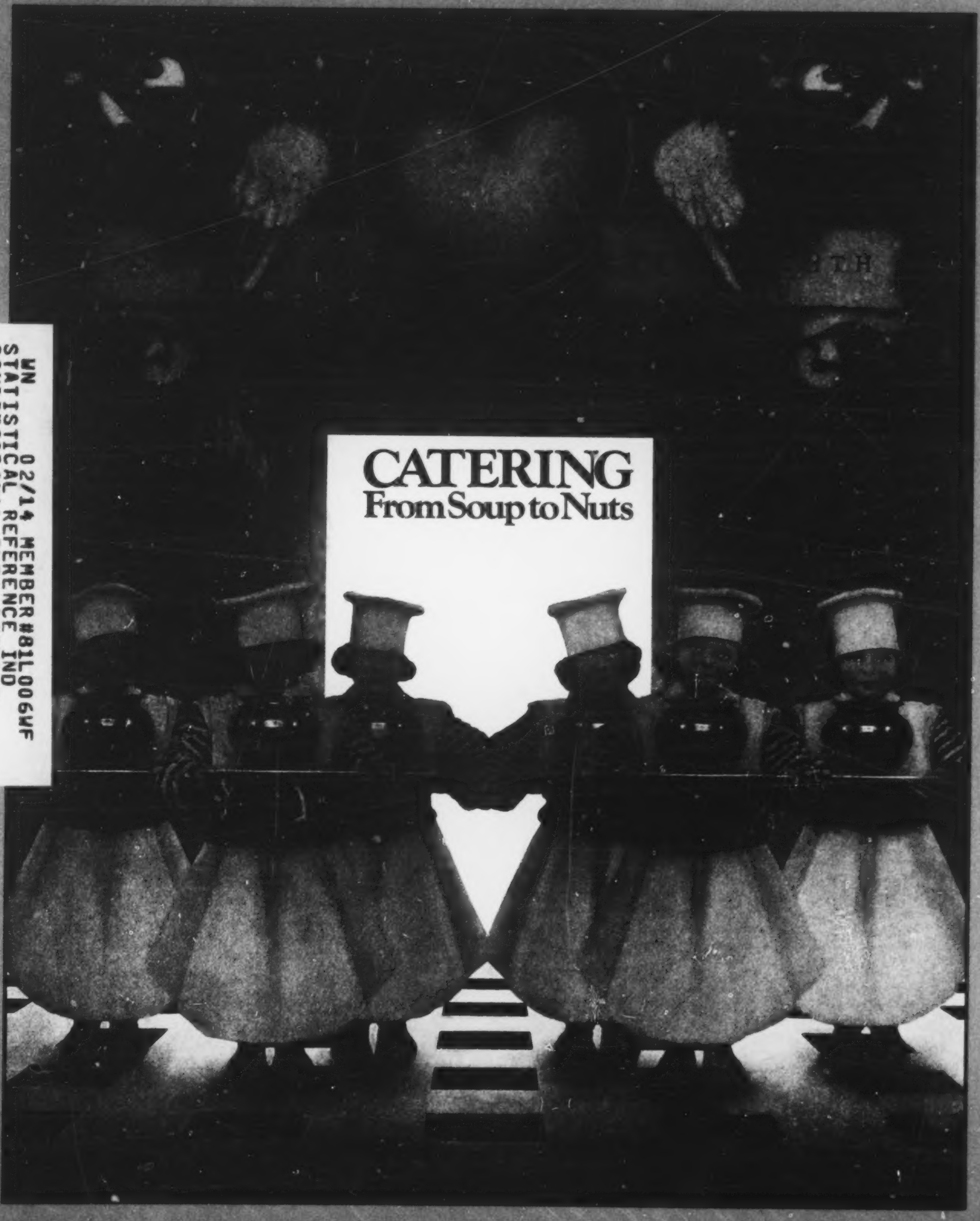

CATERING
From Soup to Nuts

NRA MEETINGS

Seminars

Basic Foodservice Courses

Basic Supervision in Foodservice

3/5	Kansas City, MO
4/9	Wilmington, DE

Computers in Foodservice: A Primer

4/23	Denver, CO

Dining Room Management

3/13	Cherry Hill, NJ
3/20	Reston, VA
4/3	Des Moines, IA
4/16	Albany, NY
4/18	Meadowlands, NJ
4/22	Savannah, GA
4/24	Pompano Beach, FL

Increasing Foodservice Productivity

4/19	Portland, OR
4/22	Kansas City, MO

Kitchen Management

3/5	Allentown, PA
3/7	Providence, RI
3/19	Rockville, MD
3/21	Rochester, NY
4/2	Burlington, VT
4/4	Manchester, NH
4/9	Atlanta, GA
4/10	Houston, TX
4/14	Bismarck, ND
4/16	Detroit, MI
5/9	St. Louis, MO

Opening a Restaurant: Before You Start Cooking . . .

3/12	Indianapolis, IN

People-power and Profits

3/27	Oklahoma City, OK
4/10	Cleveland, OH

Tools for Training

3/19	Knoxville, TN
3/21	Louisville, KY
4/16	Richmond, VA
4/18	Milwaukee, WI

Food Production Courses

American Regional Cookery

4/23	Minneapolis, MN
4/25	Denver, CO
5/7	Portland, OR

The Pantry: Prep for Profit

4/17	Milwaukee, WI

Perfecting Your Culinary Skills

3/19	Portland, OR
3/21	Seattle, WA
4/2	St. Louis, MO

Simplified Baking Workshop

3/26	Wichita, KS
3/28	Minneapolis, MN

Soups and Sauces

3/12	Meadowlands, NJ
3/14	Detroit, MI

Foodservice Management Courses

Computers in Foodservice: Advanced

4/24	Denver, CO

Creative Merchandising Techniques

3/6	New Orleans, LA
3/13	Concord, NH
4/16	Boston, MA

Food Cost Management

3/25	Toronto, Ontario, Canada
3/27	Edmonton, Alberta, Canada
4/9	Lancaster, PA
4/11	Portland, ME
4/30	Tulsa, OK

Hospitality Workshop

4/22–23	**Full Service** Long Island, NY
4/24–25	**Fast Food** Long Island, NY
5/7–8	**Full Service** Minneapolis, MN

Location! Location! Location! How to Successfully Negotiate and Finance Your New Operation

4/1–2	San Francisco, CA

Menu Development

3/10	Washington, DC
4/17	Philadelphia, PA
4/23	Charlotte, NC

Off-Premise Catering

3/25–26	Philadelphia, PA
4/29–30	Columbus, OH

Operational Analysis

2/26–27	Las Vegas, NV

Planning & Implementing Restaurant Marketing Strategy

3/19–20	Boston, MA
4/16–17	Baltimore, MD

Restaurant Design & Facilities Planning

3/4–5	Tampa, FL

Conferences

3/24–27	**National Conference on Computers in Foodservice** Las Vegas, NV

Please note that registration fees have been *reduced* for the Basic Foodservice Courses. For more information, contact:

NRA Education Programs
311 First Street, N.W.
Washington, DC 20001
800-424-5156 or
(202) 638-6100

STUDY GROUP MEETINGS

Market Research

4/10–12	Washington, DC

Financial Officers

4/10–12	Palm Springs

Tax Executives

4/10–12	Palm Springs

EDP

4/16–19	San Diego

Internal Audit

4/30–5/3	Lake Tahoe

Foodservice Purchasing Managers

5/15–17	Chicago

MAECO

5/15–17	Chicago

Marketing Executives

5/15–17	Chicago

For more information on specific study groups, contact Philip Kralovec, (312) 853-2525.

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Vol. 5 No. 2 February 1985

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Shannon Tuel
Editorial Typists
Valerie Pines
Riley Stern

Editorial offices
and NRA headquarters
311 First Street, N.W.
Washington, DC 20001
(202) 638-6100

Chicago offices
One Park Place, Suite 2000
Chicago, IL 60601
(312) 853-2525

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PRESIDENT'S REPORT

Harris O. Machus
President and Owner
Harris O. Machus
Enterprises, Inc.
Birmingham, Michigan

Despite the cold, snow, sleet and severe winter weather affecting much of the country, your association has been operating at full speed. In recent weeks both the Board of Directors and the staff have been active on your behalf.

Board acts

At its February meeting, the Board of Directors voted to oppose a ban on TV and radio advertising of beer and wine. The proposed ban, which runs counter to the American belief in freedom of speech, is not in the best interest of our industry or the nation.

At the same meeting, the Directors established a Task Force to review the Grace Commission Report on cost containment and control in federal spending and to work with other organizations to help reduce waste in government.

The Board also reviewed the status of the Treasury Department proposal to limit the business meal deduction. We discussed the strategy and tactics taken to date to oppose this proposal and developed additional strategies to prevent its inclusion in any forthcoming tax simplification bill.

Menu labeling recommendation struck down

NRA's ongoing effort to prevent mandatory labeling on restaurant menus is showing some positive results. In November, NRA testified at a hearing on a draft report on sulfites prepared for the Food and Drug Administration (FDA) by the Federation of American Societies of Experimental Biologists (FASEB). The draft report called for labels or signs in restaurants when sulfites are present in menu items.

NRA protested this recommendation, pointing out that labeling in restaurants is ineffective and does not provide consumers with sufficient protection. The association said that if FDA believes that sulfites pose a danger to a significant number of people, the agency ought to ban specific uses of the substances.

The labeling recommendation has been deleted from the final version of the FASEB report released January 31. As FDA official Arthur Banks told NRA's Technical Services Committee, "The report permits a partial ban of sulfiting agents in lieu of labeling on menus."

Alcohol awareness grows

Designed just one year ago, NRA's Alcohol Awareness program is having a significant effect on the manner in which alcoholic beverages are served in restaurants. Of those state restaurant associations responding to NRA's survey, 31 are offering training sessions for servers of alcoholic beverages, and 27 of those 31 are using the program and materials developed by NRA last spring.

During the same period, 1,300 articles have appeared in the national media describing the NRA program and the actions taken by the foodservice industry to help reduce incidents of driving while intoxicated (DWI).

NRA believes that ultimate responsibility for preventing drunk driving lies with the consumer, not the server of alcoholic beverages. Still, the association strongly advocates that every foodservice company that sells alcoholic drinks participate in a server training program. It is in your best long-term interest.

NRA sponsors community promotion

In conjunction with the National Association of Broadcasters, NRA is sponsoring a nationwide promotion designed to reduce drunk driving during the graduation and prom season. Organized by local task forces, Operation Prom/Graduation will feature a written pledge by graduating students not to drive while intoxicated. Participating restaurateurs, florists, habadashers and other retailers will honor the pledge card with discounts and other special offers as determined by the establishment.

Project Prom/Graduation offers restaurateurs an excellent opportunity for community interaction and socially responsible promotions. In late March, NRA will mail each member company a packet containing information sheets, table tents and a poster to help you plan your promotion. I urge you to consider participating in this highly-visible community campaign.

NRA surveys operating results

You will shortly receive a questionnaire for NRA's annual *Operating Ratio Study*. The results of this survey will allow you to compare your operating figures with those of comparable firms throughout the country.

The *Operating Ratio Study* depends on broad member response. Be sure to fill out the questionnaire and return it to NRA.

Information requests increase 65 percent

Many of you have been taking advantage of NRA's Information Service and Library. In fact, 16,200 inquiries were received during the last 12 months. Members are asking for information on subjects ranging from site location to salad recipes. Use the NRA hotline (800-424-5156) to get the information you need to make your operation more effective and efficient.

Our goal is to have you think of contacting the NRA the first instant you have a question related to this industry. If we don't have an answer, we will find out where you can get one.

During the past month, 186 members joined NRA. I welcome you to the most prestigious foodservice trade association in the world. Your participation in NRA will make your business grow and make the association more effective in its endeavors on your behalf. We're glad to have you with us.

Sincerely,

Harris

Harris O. Machus
President & Chairman of the Board

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Cover Story: Off-Premise Catering

13 Catering is one of the fastest growing segments in the foodservice industry. Not only is the field attracting more and more highly specialized entrepreneurs but other operators, including restaurateurs, franchise owners and hotel managers, are also finding their niche in this expanding market. As competition grows, so does the hunger for successful sales strategies. That is why, with this issue, ***NRA NEWS*** begins a series of articles on off-premise catering.

14 Foodborne illnesses are one of the most serious challenges facing any caterer. This article highlights a range of solutions. Don't miss the in-depth look at three common illnesses: staphylococcus, perfringens and salmonellosis.

17 Corporate catering is perhaps the greatest opportunity area in off-premise catering. But the market is segmented, and each level requires a different marketing approach.

18 Contracts are the glue that forms the bond of understanding, confidence and trust between the client and the caterer.

Related department: How's Business

Specials

Taste of America	**11**	Forty restaurants, 31 wineries and one brewery from across the nation took part in the culinary event that brought a gala feast to the inaugural.
Index	**21**	This is the third annual index of articles in the ***NRA NEWS,*** encompassing the 11 issues of 1984. Don't miss the section for NRA activities and services and the special breakouts for "Washington Report" and "Foodservice Trends."
Restaurant names	**29**	Naming restaurants is not always an easy task. Here is a look at how some operators found the right name for their establishments.
Cookbooks	**32**	More and more frequently restaurant operators are compiling their recipes into cookbooks both to celebrate their establishments and to push back culinary frontiers. Don't miss the box on how to get your cookbook into print.

Departments

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Food for Thought	**47**	Rain checks for drinks. Spot checks for fishy chicken.

SHORT ORDERS

National Tourism Week

The travel and tourism industries are gearing up for National Tourism Week—May 19 to 26, 1985. The purpose of the celebration is to tell the public that travel is good for the economy.

The American Hotel and Motel Association (AHMA) is spearheading the promotional activities for the program by developing a travel trivia game. The game is designed to generate travel by featuring questions that focus on historical facts and cultural points of interest in all 50 states. In addition, the game will highlight questions about the economic benefits of traveling.

The game will be distributed as an in-room amenity to AHMA members during the National Tourism Week. It also will be provided to one station in each of the top 100 radio markets for a radio call-in contest. Sponsors and local hotel/motel properties will donate prizes, and callers will win these prizes for giving the correct answers to on-air questions. The promotion will last two weeks, ending Memorial Day weekend with a grand prize drawing, pooling all of the winners.

To promote the game even further, AHMA will place an advertising insert in both *Time* magazine and *USA Today.* The editorial, written in travellog style, will provide answers to the game. The insert will be supported with transportation display posters.

When asked how restaurateurs could help promote National Tourism Week, Betsy Bromberg, AHMA communications director, encouraged restaurateurs to buy the game from AHMA and distribute it to their customers. She also suggested operators can purchase and display the transportation poster or its counter card version, advertise in the publication inserts or become involved with the radio call-in contest by sponsoring prizes.

For further information, contact your local AHMA chapter or Betsy Bromberg at AHMA headquarters, 888 Seventh Ave., New York, NY 10019; (212)265-4506.

First nutrition course for chefs

Last month 25 West Virginia chefs and cooks participated in the nation's first nutrition course, sponsored by the West Virginia Chefs and Cooks Association and the American Health Association West Virginia Affiliate and backed by the West Virginia Restaurant Association. The course was designed to fill a new requirement that chefs affiliated with the American Culinary Federation must take 32 or more hours of an accredited nutrition course to gain certification.

For five days the chefs heard lectures and presentations by experts in the field of nutrition. They became acquainted with the role of nutrition in health and learned how to translate that knowledge into healthful recipes. They also learned how to modify foods for people on diabetic, cardiovascular, low-sodium and other therapeutic diets.

As part of the course, each participant was required to prepare two menus for breakfast, lunch and dinner. One menu had to contain foods that are low in sodium, calories or cholesterol, and the entire day's menu could not exceed 1,500 calories. The other menu was to be designed for diabetics.

On Friday, the chefs were given a chance to put into practice the things they had learned by preparing a meal that contained between 500 and 700 calories. This meal was judged by Roland Schaeffer, chief experimental chef for H. J. Heinz Co. in Pittsburgh, PA., who used the same criteria which are standard in judging food competitions around the world. The chefs also were given a written test on the information presented in the course.

Wiley Newbold, executive chef of the Sheraton Inn in Clarksburg, received the Best of Show trophy with a score of 117 points out of a possible 120.

Bottler helps search for missing children

A soft-drink bottler is adding his company's resources to a growing campaign to find missing children, reports *The Washington Times*.

Abarta Inc. of Pittsburgh, PA, which bottles Coca-Cola and other soft drinks in Cleveland, OH, Bethlehem, PA, and Buffalo, NY, is placing photographs and descriptions of missing children on pop bottles distributed in those cities.

Three sizes of soft drink bottles are wrapped in paper aprons, which carry the information. Readers are given a toll-free telephone number to report any leads.

The company will feature a new group of missing children every three weeks. Each rotation represents 500,000 bottles.

Americans eat out more often

According to a new report by The Conference Board, Americans are eating out more often. Thirty two percent of our food dollars are spent in restaurants—up from 28 percent in the 1970s and 17 percent in the 1960s.

Younger families are becoming more important to the food business. Households under age 35 now represent 35 percent of food spending—up from 22 percent in the 1970s. Single men are also a significant segment. They outspend women—$923 to $370.

WASHINGTON REPORT

Reminder on tip reporting

Attention full-service operators: If you haven't filed a Form 8027 with IRS, you'd better do so promptly. IRS Form 8027 is used to comply with the 1982 tip reporting law and must be filed by Feb. 28.

NRA mailed a copy of the form and its instructions to all NRA organizational members earlier this month in the NRA *Washington Weekly*.

The form must be filed annually by any restaurant that

1) has tipped employees
2) employs more than 10 full-time employees (or the equivalent of 80 employee hours) on a typical business day.

Establishments covered by the law must report total charged tips, total charged receipts with tips, total tips reported by employees, total gross receipts and total "allocated" tips.

Tip income must be allocated when total tips reported by all employees in the establishment fall short of eight percent of gross food and beverage receipts (less carry-out sales, state and local taxes and any sales to which a service charge of 10 percent is attached).

1984 was the second year of the new tip reporting law, and it was the first full year of allocation. In 1983, allocation did not apply during the first quarter.

IRS says employee tip reporting has increased since the new reporting requirements were enacted but that compliance on the part of *employers* has not been good.

Last December, IRS said that of 125,000 establishments which should have filed an 8027 for 1983, only 40,000 had complied. It also said that it was sending delinquency notices to those restaurants that had not filed their 8027.

Employers who fail to file a Form 8027 face substantial penalties:

- The penalty for failure to file is $50 per required statement, up to a maximum of $50,000.
- If the failure to file is determined by IRS to be due to negligence, the penalty is an additional 10 percent of the amounts required to be reported.
- If civil fraud is found, the penalty is 50 percent of the unreported amounts.

Penalties for employees . . .

Many employees are of the opinion that they need only report eight percent of their sales as tip income. This is not true! If they are audited by IRS, they will find themselves paying back taxes, penalties and interest on income they should have reported.

You should remind your staff that tipped employees are required by law to report *all* of their tips, and under-reporting will subject them not only to tax liability on unreported tips but also to penalties:

- Interest will be charged from the due date of the return (April 15 of the year in question). The current interest rate is 13 percent.
- If IRS finds that failure to report is due to negligence, the penalty is five percent of the unpaid taxes, with an additional penalty of 50 percent of the interest due for the period between the due date of the original return and the date of assessment.
- If civil fraud is found, the penalty is 50 percent of the unpaid taxes.
- Once IRS serves notice that the taxes are owed, an additional penalty of 0.5 percent of the taxes due for each month that they are unpaid, up to 25 percent, may be applied.
- A penalty of $50 applies when the employee fails to provide a statement of tip income to the employer.
- A penalty of 50 percent of the employee's share of Social Security taxes due on the unreported tips may also be levied.

Example . . .

The following example illustrates how the above penalties can mount up:

Suppose a single waitress in 1983 earned $3.35 an hour in wages and reported $3.00 an hour in tips. Her employer withheld taxes on income of $6.35 an hour, 40 hours a week, for 50 weeks. Her annual taxable income was $12,700. Her federal income tax for that year came to $1,623, and she paid Social Security taxes of $850. Total federal tax liability: $2,473.

Suppose an audit, conducted on April 15, 1985, determined she had actually earned an additional $2.00 an hour in tips, resulting in an unreported tip income of $4,000 for 1983. Her actual annual income, then, was $16,700. Her federal income tax on that amount would have been $2,511; Social Security taxes would have amounted to $1,118.

Based on this audit, she owed back federal income taxes of $888, plus $268 in Social Security taxes. In addition, she was penalized by IRS as follows:

$230 (interest for two years @ 13%)
$ 44 (5% negligence penalty)
$115 (interest penalty of 50%)
$134 (50% of Social Security taxes owed)
$523 TOTAL penalties

Total back taxes and penalties on 1983 tip income of $4,000 = $523 in penalties + $888 in federal income tax + $268 in Social Security, or *$1,679*.

As this example demonstrates, an employee may be saddled with significant liability in the event of an IRS audit. An employee may also be required to pay back state taxes, but generally IRS audits do not trigger state revenue audits.

For more information on tip reporting and Form 8027, contact the NRA government affairs staff in Washington, (800) 424-5156.

NRA argues against caps for business meal deduction

NRA officials met with Ronald Pearlman, assistant Treasury secretary for tax policy, last month to discuss the department's tax simplification plan and to present the results of a Chase Econometrics study on business entertainment meal spending.

The Chase study shows that the Treasury's proposal to cap business meal deduc-

WE'RE COUNTING ON *YOUR OPINION*

NRA's monthly membership poll tracks your views on important national issues affecting the foodservice industry.

Your reponses to these questions will help NRA represent the industry in Washington.

Question 1: Eliminate farm supports?

This year Congress will consider legislation to extend or replace the Agriculture and Food Act of 1981, commonly referred to as the 1981 farm bill. This comprehensive law governs federal farm prices and income support programs for milk, grains and other commodities. Farm bills have been enacted in four-year cycles since 1973.

Congressional debate over farm policy will be spurred by the serious problems now facing agriculture and the alarming rise in support costs. Federal spending for price supports soared sevenfold between 1980 and 1983; the cost of government programs in 1983 alone reached $28 billion. Huge commodity surpluses have depressed markets and prices. Farm bankruptcies are at near-record highs, farmland value is falling and farm income is 20 percent below 1979 levels. And U.S. farm exports have fallen 10 percent since 1980.

Some analysts believe that farm programs require a major overhaul; others say no major changes are needed. The administration favors a "free market" approach and has proposed deep cuts in farm subsidies, including elimination of the dairy price support program. On the other hand, farm state legislators are expected to fight to preserve these programs.

➡**Pros**—Federal crop loan rates and subsidy payments are too high. Reducing or eliminating them would better align production with demand, lower federal budget costs and sharpen our competitive edge in the world market. Also, consumer prices would fall if supports are cut, since farm programs have artificially raised prices—as much as 18 cents a gallon for milk.

➡**Cons**—We need federally-supported reserves of food to stabilize prices and supplies. Even in a market-oriented environment, programs are needed to protect consumers when events beyond our control cause food prices to soar. Curtailing farm supports may reduce prices initially, but eventually supply would lag, causing higher consumer prices and fluctuations in prices.

Should current farm programs be eliminated in favor of a market-oriented system?

Question 2: Are employer sanctions necessary?

Immigration reform, one of the most controversial issues of the 98th Congress, will continue to concern legislators due to the dramatic increase in illegal immigration in recent years. The lure of relatively high American wages has drawn many aliens illegally into the country to take positions in the American workforce.

Immigration reform legislation—such as the Simpson-Mazzoli bill nearly enacted last year—penalizes employers who knowingly hire illegal aliens. These employer sanctions are intended to discourage employers from deliberately hiring illegals, thus leading to fewer jobs for illegals and ultimately discouraging them from entering the country.

Employer sanctions are usually accompanied by employer recordkeeping and verification procedures. If an employer were investigated for suspected violations, he would be required to produce an affidavit signed by himself and the employee in question, which stated the employee was legally entitled to accept employment. Sanctions against employers who violate the law include both civil and criminal penalties.

➡**Pros**—Employer sanctions are essential to gain control of the illegal immigration problem. The threat of progressively harsher penalties for employers who deliberately hire illegals is the only way to ensure employer compliance with the law. By examining IDs an employer knows he is complying with the law, and requiring affidavits protects him in the event of an investigation.

➡**Cons**—Employers should not be required to enforce immigration laws. Enforcement should be the responsibility of the Immigration and Naturalization Service. Employer verification and recordkeeping are burdens that employers should not have to bear, considering that most employers never come into contact with illegal aliens. Threatening employers with civil and criminal penalties only encourages them to discriminate against anyone who appears to be an alien.

Are employer sanctions necessary for effective immigration control?

Please respond to the above questions, using the attached postage-paid card.

tions at $10 for breakfast, $15 for lunch and $25 for dinner would have serious effects on the restaurant industry as well as on the national economy.

Study shows loss of jobs, revenues . . .

NRA told Treasury officials that the study indicated the following consequences during 1986, the first year the new law would be in effect:

- the loss of 140,000 foodservice related jobs and a rise in the national unemployment rate of one-tenth of one percent
- a decrease in state and local revenues from personal income tax and sales tax
- a decrease in federal revenues from personal income tax and Social Security taxes and an increase in federal expenditures for unemployment compensation and welfare payments.

Although revenues from corporate income tax would rise, these losses and expenditures would more than offset the gain. The net loss to federal, state and local governments would be $1.1 billion in the first year. In the second year, the revenue loss would exceed $1.6 billion, Chase found.

Based on the Chase research, NRA said the Treasury proposal would severely injure the restaurant industry, necessitating the closing of many fine dining establishments and resulting in the loss of jobs for thousands of employees.

Assistant Secretary Pearlman agreed that the business meal cap would have an adverse effect on the industry, but he noted that other industries would also be affected by Treasury's plan.

Pearlman not concerned about revenue loss . . .

He also said he was not too concerned about revenue loss from the cap, since the tax simplification plan as a whole will produce about as much revenue as the current tax code. Some of the provisions may lose money, he said, but others will raise money.

In discussing the reasons for proposing a business meal cap, Pearlman said Treasury sought to curtail tax breaks that involve an element of personal benefit, such as club dues and tickets at sporting events.

A cap forces businesses to evaluate the benefit of business entertainment more on its own merit, without the full incentive of a tax break, Pearlman said. One of the goals of tax reform should be to reduce government's influence on private sector decision-making, he said.

Pearlman also noted that there is a public perception that the business meal deduction is abused (the "three-martini lunch"). Whether the perception is justified or not, it leads to a lack of respect for the tax system and reduces compliance, he said.

In making its case to the administration, NRA has argued against the proposed caps on several fronts. The most obvious and serious argument concerns the economic consequences to the industry, as described in the Chase findings.

NRA contends caps would complicate tax code . . .

NRA also contends that the caps would complicate rather than simplify the tax code by creating an artificial constraint on business entertainment meal spending. The business meal is a legitimate business expense—the same as advertising and operational expenses—and should not be subject to arbitrary limits.

Also NRA maintains that the proposed caps do not take into account regional differences in menu prices and would lock in deduction ceilings without provision for indexing. And if the caps were enacted, they could be lowered by subsequent legislation, resulting in even greater hardships for restaurateurs.

—Jay Morris

If you haven't already written the President to protest the proposed caps, please do so. The greater the response from the industry, the less likely the administration is to view the caps as a noncontroversial item to be included in its final tax reform plan. Write to: The President, The White House, Washington, DC 20500. Please send a copy of your letter to the NRA government relations office.

Your opinion results are in

"We're Counting on Your Opinion," the new ***NRA NEWS*** membership poll, has been enthusiastically received by you, our readers. Your reply cards continue to arrive.

Here are the results of the first two polls, which appeared in the November and December issues of the magazine.

November results . . .

To gauge the effect of important issues of the day on your business, the ***NRA NEWS*** features two questions each month for your comment. (See page 8.)

In November, "We're Counting on Your Opinion" asked, "Should the minimum wage be increased?" and "Should our current income tax system be replaced with a flat tax?"

Respondents overwhelmingly opposed an increase in the minimum wage—88 percent answered "no" to the question and 11 percent said "yes." One percent had no opinion.

Most of the respondents (60 percent) said they favor a flat tax; 31 percent said they did not. Nine percent expressed no opinion.

About two-thirds of the respondents said they operate some type of tableservice restaurant. Another 17 percent operated fast food establishments, and nearly one in 10 operates a cafeteria operation.

Based on information provided, our November sample represented 9,807 units employing 336,561 people.

December results . . .

In December, "We're Counting on Your Opinion" asked, "Should the fringe benefits you provide your employees be subject to federal income tax?" and "Would the elimination of ACRS and ITC in favor of Treasury's tax reform plan benefit your business?"

Respondents solidly opposed a tax on fringe benefits—83 percent answered "no" to the question, and 17 percent said "yes."

Most of the respondents (64 percent) said that the elimination of ACRS and ITC would not benefit their businesses, while 23 percent believed that it would benefit their businesses. Thirteen percent expressed no opinion on this question.

Of the December respondents, 60 percent operate some type of tableservice restaurant, while about one-fifth operate a fast food restaurant. One in 10 operates a cafeteria.

Based on the information provided, the December survey represents 4,338 operations employing 257,974 people.

THE BOARD ROOM

Robert Neville remembered

On January 7, 1985, Robert Neville, former executive vice president of the National Restaurant Association, died in Arlington, VA, after a long illness. Neville served as a foodservice industry spokesman in Washington for more than 16 years.

"Bob was a man of great wisdom and integrity who gave years of good counsel and capable leadership to the foodservice industry," said NRA Executive Vice President William Fisher.

Neville joined NRA as assistant counsel in 1968 and became the association's general counsel in 1971. In 1979, he served as the acting chief staff officer of the association and was named executive vice president in 1981. He retired from that position in 1984 due to illness.

Neville's expertise in tax and labor law was profound, and he is credited with engineering many significant political victories for the industry.

He was highly respected in Washington, and his passing was noted with sorrow by many leading political figures.

- *Former Rep. Barber Conable (R-NY):* "Bob was a vigorous association leader who was very much in touch with what was happening in Washington. He will be missed."
- *Former Rep. John Erlenborn (R-IL):* "Bob was a top rate representative of the foodservice industry— and perhaps more important a top rate human being."

Neville frequently presented the industry's position.

- *Senator Robert Dole (R-KS):* "Bob and I generally agreed, but when we didn't, we understood each other. I always respected his position, and it was a pleasure to work with him because of his honesty and integrity."
- *Rep. Guy Vander Jagt (R-MI):* "Bob was a warm and generous person who served his cause with great devotion. I considered him a good friend."
- *Rep. William H. Bonner (D-TN):* "Those of us in Congress knew Bob to possess a keen analytical mind which could strip away the tangential arguments and quickly get to the heart of the matter. He worked unceasingly for the good of his industry and his country."

A retired Marine Colonel, Neville was buried with military honors in Arlington Cemetary on January 9.

NRA Board selects new leaders

During the winter meeting of NRA's Board of Directors in Phoenix, AZ, the Board nominated Ted J. Balestreri, co-owner of Restaurants Central and the award-winning Sardine Factory in Monterey, CA, NRA chairman of the board and president for the year beginning May 21, 1985. Balestreri will succeed NRA President Harris O. Machus, president and owner of Harris O. Machus Enterprises, Inc. in Birmingham, MI.

In addition to the Sardine Factory, Restaurants Central owns and operates three other fine-dining establishments in California: The Rogue, the Butcher Shop and San Simeon Restaurant.

An acknowledged leader in foodservice, Balestreri is past president of the California Restaurant Association, member of the board of trustees of both the National Institute for the Foodservice Industry (NIFI) and the California Restaurant Association Education Foundation.

Balestreri is the recipient of a number of coveted industry honors including the IFMA Gold Plate Award, the Monterey Peninsula Hotel and Restaurant Association's Hospitality Professional of the Year Award, and the American Academy of Achievement's Golden Plate Award.

At the Board Meeting, G. "Jim" Hasslocher, president and chairman of the board of Frontier Enterprises, a privately-owned foodservice operation headquartered in San Antonio, TX, was nominated NRA's new vice-president.

Hasslocher is past president of both the San Antonio and the Texas Restaurant Associations and currently serves as NRA's treasurer. He was named outstanding Texas restaurateur of the year in 1961 and won the IFMA Gold Plate Award in 1974.

Michael J. Grisanti, the president and chief executive officer of Grisanti, Inc., was nominated NRA's new treasurer. Grisanti is the chairman of NRA's active Task Force on Alcohol Awareness. He also chaired the Hospitality Committee which developed the association's successful Hospitality Project.

NRA's nominated officers are officially elected at the annual membership meeting during the NRA Restaurant, Hotel-Motel Show. This year's annual membership meeting will be held in the Drury Lane Theatre of McCormick Place on Monday, May 20 at 2:30 p.m. NRA's new chairman of the board and president will be honored at a Grand Banquet and Show in the Grand Ballroom of the Hyatt Regency Chicago, on Tuesday, May 21.

—Dorothy Dee

TASTE OF AMERICA
Brings Gala Food to the Inaugural

The six-feet wide, eight-feet long and three-feet high cake in the shape of the U.S. Capitol was the magnificent centerpiece.

Visitors to "Taste of America," a gala food festival honoring the inauguration of President Ronald Reagan and Vice President George Bush, may have felt as though they stumbled into a gourmet's dream—aisles and aisles of house delicacies, presented by some of America's best dining establishments and some of the finest native wines. The event, officially sanctioned by the Presidential Inaugural Committee, took place January 18–20 at the Washington Convention Center in Washington, DC.

Quadrettoni Alla Genovese, an artichoke pasta with scallops and roe in a light basil sauce, was featured by Casa Grisanti (Louisville, KY). In order to serve the dish to the more than 20,000 people who attended the event, 300 pounds of scallops and roe were flown in from Paris and 150 pounds of pasta, 70 pounds of Parmesan cheese, 60 pounds of pesto sauce and 50 pounds of flour were trucked to the nation's capital from Louisville.

Other dishes featured at Taste of America ranged from Abalone Cream Bisque from Monterey, California's Sardine Factory to Triple Chocolate Mousse from the Machus Red Fox in Bloomfield, MI.

Forty restaurants, 31 wineries and one brewery from across the nation took part in the culinary event. Participating restaurants were the recipients of one of three awards: The Travel Holiday Fine Dining Award, the Mobile 4-Star or the Ivy Award.

Two culinary schools, Johnson & Wales College of Providence, RI, and the New England Culinary Institute of Montpelier, VT, also participated in Taste of America. Johnson & Wales sent 60 students under the supervision of Ken Levy, director of external affairs, to act as assistants to restaurateurs. The New England Culinary Institute sent seven chefs under the supervision of John Dra-

Machus
Red Fox

Chef Leopold of Machus Red Fox displays the house specialty, Triple Chocolate Mousse.

NRA Vice President Ted Balestreri and partner Bert Cutino of The Sardine Factory ladle miniature portions of their restaurant's offering, Abalone Cream Bisque.

Casa Grisanti

Chef Salvatore of Casa Grisanti serves Quadrettoni Alla Genovese (Artichoke Pasta w/Scallops in Roe & Basil Sauce) to one of 20,000 people who attended the three-day event.

Each booth at Taste of America was distinctively and attractively adorned, such as this tasteful display of wines by Far Niente Winery.

now, vice president, to construct the centerpiece for the event—a six-feet wide, eight-feet long and three-feet high cake in the shape of the U.S. Capitol.

Taste of America was chaired by Detroit restaurateur William C. Anton, who developed the concept for the event in 1980 with Taste of Detroit at the Republican National Convention. The success of that event inspired the first Taste of America at the 1981 presidential inaugural. Robert Lawrence Balzer, food and beverage editor of *Travel Holiday Magazine*, served as chairman of food and wine selection in both 1981 and 1985.

Taste of America hosted receptions for presidential and vice presidential gala attendees and for governors and elected state officials. Admission also was open to the general public for $9.50 per person on Friday, Saturday and Sunday afternoons. Attendees were entitled to sample their fill for the price of admission. Although the project was not a moneymaking venture, it succeeded in spotlighting the hospitality industry during the inauguration and in establishing a tradition for future celebrations. Each restaurant and winery contributed a great deal of food, wine, time and talent to participate in Taste of America.

Regas
The Restaurant
Gay at Magnolia
The Gathering Place
Knoxville, Tennessee

Bill and Frank Regas brought 12,000 portions of Regas' famous clam chowder all the way from Knoxville, TN, for Taste of America.

CATERING
From Soup to Nuts

Weddings in banquet halls used to be the norm for the catered affair. This is no longer true. Today, catered functions range from breakfast in bed to corporate celebrations on a Lear jet. With these expanded possibilities comes a burgeoning interest in the off-premise catering segment. Not only is the field attracting more and more highly specialized entrepreneurs but other operators, including restaurateurs, franchise owners and hotel managers, are also finding their niche in this expanding market.

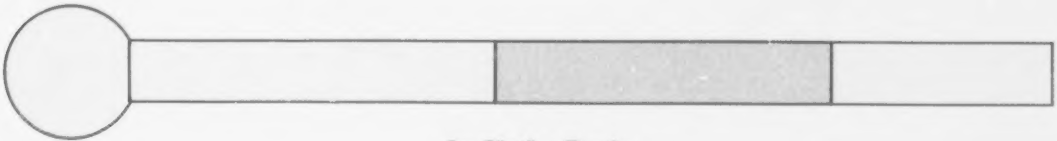
As competition grows, so does the hunger for successful sales strategies. Last fall nearly 200 people came to NRA's National Conference on Off-Premise Catering to examine new opportunity areas, explore behind-the-scene practices and to share experiences.

They were not disappointed. Participants learned how to tap the corporate market—perhaps the fastest growing opportunity area in off-premise catering. They explored menu possibilities—from lite food to ragouts. They discussed food handling problems, staff training, down payments, overtime rates, contracts and leftovers. And they even learned how to lick the slow season dilemma with such services as rent a chef, breakfast-in-bed baskets, catering gifts of the month and freezer pacs.

The excitement of the conference inspired **NRA News** to begin a series of articles on off-premise catering. This month's issue contains the first installment, based on some of the topics covered at the meeting. Other issues will be covered in the months to come.

FOOD POISONING

The Caterer's Nightmare



by Kathy Boyle

Food poisoning is one of the most serious challenges facing any caterer. One large, Southern university's welcoming picnic for freshmen shows how easily it can happen. Two days before the picnic, macaroni was boiled for macaroni salad and placed into 30-gallon containers. Although the macaroni was put into a refrigerator, the middle portion of the 30-gallon container never really cooled. The next day, the macaroni was brought out of refrigeration for several hours while celery and onions were cut for adding. Then these vegetables and mayonnaise were mixed into the macaroni by hand.

Once mixed, the salad was returned to the 30-gallon container for storage. Finally, very early the next morning, the day of the picnic, the macaroni was brought out of refrigeration again, this time for portioning into four-ounce individual plastic serving cups for each student. These servings sat out until it was time for the picnic in the afternoon. That evening when the emergency room was overrun with students with profuse projectile vomiting, it became apparent the macaroni salad was the culprit.

Although this example is one of obvious negligence, caterers do have problems keeping food sanitary. Faced with preparing food for large events, caterers must often start food preparation in advance, increasing the potential risk of foodborne illness. Cooking food in one location and then moving it across town only to sit while a speaker scheduled to speak for five minutes drones on for an hour can also cause problems.

A range of solutions . . .

Rigorous planning to prevent time/temperature catastrophes is the beginning of any serious food handling program. Food must be kept out of the temperature danger zone of 45°F to 140°F. It is in this temperature range that bacteria can grow best. Below 45°F, it is cold enough to inhibit growth; and above 140°F, it is hot enough to stifle growth. Although some bacteria can grow outside this temperature range, bacteria multiply most rapidly within the danger zone. As any foodservice owner who has had a foodborne illness outbreak will attest, bacteria don't grow arithmetically; they grow geometrically.

New advanced cooking and holding ovens are solving the problem of keeping food at safe temperatures without drying it out. This adds greater flexibility when unforeseen delays occur. "If we're doing a wedding and the bride's parents want the dancing to go on a little longer, we don't have to worry about the prime rib," says Harvey Swartz, general manager of Signature Caterers in Miami Beach, FL. "The oven is probably one of the better investments I ever made," he adds.

Keeping plates warm can also help regulate the temperature of food items served. But how do you keep 300 plates warm out on location? Thuerich sets up two round tables, stacked one on top of the other. He places the dishes on the bottom table and puts fire resistant skirting around the top table. Then he puts a small space heater alongside the dishes.

Back at the kitchen . . .

In the kitchen as well as out on the job, the time/temperature relationship is the biggest concern of caterers. Ridgewells Caterer in Washington, DC, seldom sends hot food to a job. "We prepare foods here in the kitchen under strict controls and quickly cool them," explains Ridgewells General Manager Jay Treadwell.

Once foods are prepared, they are quickly refrigerated in shallow three-inch pans. "To assure proper cooling we don't stack anything," says Tread-

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Kathy Boyle is a free-lance writer in the Washington, DC, area who frequently writes on foodservice topics for ***NRA NEWS***.

well firmly. Even the carts in the refrigeration room are the wire rack type to allow air to circulate freely. This speeds up cooling. The refrigeration room itself opens directly onto the loading dock. From there, food is transported on Ridgewells fleet of 30 refrigerated Mercedes trucks.

Miles Thuerich of Thuerich Catering in Milwaukee, WI, considers the caterer an "advanced restaurateur" who pioneers solutions to food handling problems on behalf of the foodservice industry. Ingenious solutions to the time/temperature problem highlight what an excellent job many caterers are doing.

"To keep food in the proper temperature range requires electricity both for our trucks and our ovens and for our heating and steaming equipment. Often the location doesn't have enough electrical outlets," observes Thuerich. That is why he decided to custom-build an oven that would be self-sufficient. He worked with a consultant and a manufacturer of cooking and holding ovens to build the oven he envisioned with alternative power sources—electricity, propane and gas. This way, if he gets to a site where electricity is not available, he switches over to an alternative source of power.

Alan Elias of Al's Custom Caterers in Minneapolis, MN, previews every

Foodborne illnesses of frequent occurrence

Name of illness	Foods usually involved	How introduced into food	Clinical syndrome	Preventive or corrective procedures
Staphylococcus	Cooked ham or other meat, chopped or diced; cream filled or custard pastries;other dairy products; Hollandaise sauce; bread pudding; potato salad; chicken, fish, and other meat salads; "warmed-over" food	Food handlers' nasal discharges, local skin infections (acne pimples, boils and cuts) Holding foods at bacterial growing temperatures	Incubation period 30 minutes to 8 hours (usually 2 to 4 hours) Majority of cases with vomiting	Wash hands after coughing, sneezing, smoking, going to the toilet Cool foods rapidly Put foods in shallow pans in refrigerators Keep cold foods at 45°F or below Keep hot foods at 140°F or above Cover infections with waterproof dressing or Band-Aid Restrict workers with diarrhea, colds, pimples, sores and other infections from touching foods
Perfringens	Meat which has been boiled, steamed, braised, or partially roasted, allowed to cool several hours and subsequently served either cooled or reheated	Natural contaminate of meat which becomes active when foods are kept at room temperature, stored in large pots in refrigerator and are inadequately reheated	Incubation period 9 to 15 hours Majority of cases with diarrhea and cramps but little vomiting or fever	Cool foods rapidly Put foods in shallow pans in refrigerators to facilitate cooling Keep cold foods at 45° F or below Keep hot foods at 140° F or above Reheat leftover foods to 160° F Wash hands after going to toilet, handling raw food, and doing activities other than food preparation Clean and disinfect kitchen equipment Restrict workers with diarrhea from touching foods Proper cleaning of fresh vegetables
Salmonellosis	Meat and poultry, diced foods, egg products, custards, shellfish, soups, gravies, sauces, "warmed-over" foods	Fecal contamination by food handlers Cross-contamination of cooked foods from raw foods (i.e., meat, poultry, eggs, unpasteurized milk) with common equipment or hands Inadequate cooking Keeping food at room temperature Storing foods in large pots in refrigerators Holding foods at warm (bacterial growing) temperatures Inadequate cleaning of equipment Inadequate reheating of cooked foods	Incubation period 6 to 48 hours Majority of cases with diarrhea	Cook foods to internal temperatures of 165° F Use separate equipment for raw and cooked products Cool foods in shallow pans in refrigerators Keep cold foods at 45° F or below Keep hot foods at 140° F or above Reheat leftover foods to 160° F Clean and disinfect kitchen utensils and equipment Wash hands after visiting toilet and handling raw foods of animal origin Restrict workers with diarrhea or fever from touching foods Eliminate rodents and flies

Source: *NRA Sanitation Operations Manual; Center for Disease Control* site to assure there are enough electrical outlets and power sources. He often takes along one or more power generators to provide the constant source of power needed to keep food hot or cold in the proper temperature zone. "As for my refrigerated trucks," says Elias, "the refrigeration can run on the truck motor if necessary."

When reheating food, it is important to do so quickly, says Robert Baker, sanitarian for the City of Annapolis, MD. He cautions, "Don't reheat food in a slow cooker, but rather bring it up to 160°F quickly."

He also advises that food not be served in the containers used for transporting, such as crabs brought into an operation, steamed and then put back in the same basket.

Although caterers, in general, clean trucks regularly, William Gavigon, foodservice director for JFK Memorial Hospital in Lake Worth, FL, says these precautions are especially critical for rented refrigerated trucks. "We clean the trucks when we get them," says Gavigon. "The trucks we rent are usually used to transport crated or fresh refrigerated food. After they are used for this purpose, the refrigeration is turned off and bacteria begin to grow. When we rent the truck, it may look clean, but it may still not be safe."

Sanitation precautions go back to planning process . . .

"There is no detail a caterer can overlook," says Elias. Menu planning ahead of the event can cover potential problems. Elias reviews the entire program with his customers. He remembers planning a breakfast for a movie crew on location an hour outside of town. "If they wanted scrambled eggs and bacon, they had to designate a specific break time from filming. If they couldn't set a break time that day, we went with coffee and donuts."

Swartz of Signature Caterers offers additional cautions for site planning. "Stay in your own area," he says. "To avoid food handling or sanitation problems, I either stay on my truck or in the garage where I can clean and set up my own equipment." In those cases where Swartz visits a home and notices things, such as a dirty oven, he is very direct with the customer. "I've never lost a job by telling customers to clean their oven," Swartz explains.

Besides the refrigerated trucks and stoves and ovens on wheels, other on-site sanitation precautions include the caterer's own mobile water supply. Elias says, "If there isn't running water at the site, we carry our own." Elias uses propane to heat the water. "Our clean-up operation means rinsing, scraping and sorting dishes as we put them on the truck. Not only does it help back at the dishwashing area, but it keeps away flies and rodents," Elias observes.

The food itself . . .

According to the 1976 Food and Drug Administration's (FDA's) Foodservice Model Sanitation Ordinance, food for all foodservice operators must be obtained from "approved sources." It is usually no problem to obtain inspected, licensed or approved food and ingredients. "However, with the proliferation of 'gourmet' operations where many otherwise inspected products are made fresh on the premises, added caution must be exercised," maintains Mel Kramer, president of Environmental Health Associates, a sanitation consulting firm in Baltimore, MD. "Aunt Tilly's pickled peppers might not pass inspection."

Proper inspection at the time the food is received can eliminate potentially hazardous food from the system. If meat is coming in the back door in poor condition, for example, it not only will yield less after it is cooked, but it also may be dangerous to eat.

Perhaps the greatest unspoken danger with the food itself is to reuse it. What should a caterer do with leftovers? Experts agree unequivocably: *don't reuse them.* Only condiments should ever be reused.

Consultant Mel Kramer observes that leftovers are actually paid for. "If caterers think about it, they have a built-in insurance policy, unlike a regular restaurateur. They have a guarantee policy with the client, so they are covered in the case of a large number of no-shows."

Personal cleanliness . . .

Although most individuals would consider personal hygiene a matter of common sense, it is an area where education, training, retraining and supervision all play a large role.

Individuals with coughs, open sores or infections obviously should not be working with food. If there is a shortage of staff, consider shifting an employee to other work, such as dishwashing or receiving, until he or she no longer poses a threat of infection.

According to Kramer, two problem areas that are often overlooked are washing hands when arriving at work and smoking. "Washing hands before leaving home isn't good enough," explains Kramer. "They've ridden the subway or a bus or maybe read a newspaper on their way to work."

With regard to smoking, Kramer asks, "You wouldn't allow any employee to spit in the food would you? Smoking is doing the same thing. The saliva gets on the cigarette, the employee handles the cigarette with his or her fingers and then handles the food, transmitting the saliva to the food. Smoking should not be allowed in the food preparation area, and hand washing should be mandatory after a cigarette."

Many caterers do not specifically use an official company manual to teach food handling and sanitation. Elias of Al's Custom Caterers, however, believes a manual is a vital part of teaching his employees good sanitation, food handling and housekeeping practices. His retarded employees, who perform some of the repetitive tasks, receive hygiene training from local agencies in the area.

When a manual is impractical, proper sanitation and food handling practices should be clearly posted. With the large numbers of foreign speaking individuals entering foodservice, signs may be needed in appropriate foreign languages.

In conclusion . . .

The detailed precautions and planning it takes to avoid an outbreak of foodborne illness will show up in the profit column with increased business.

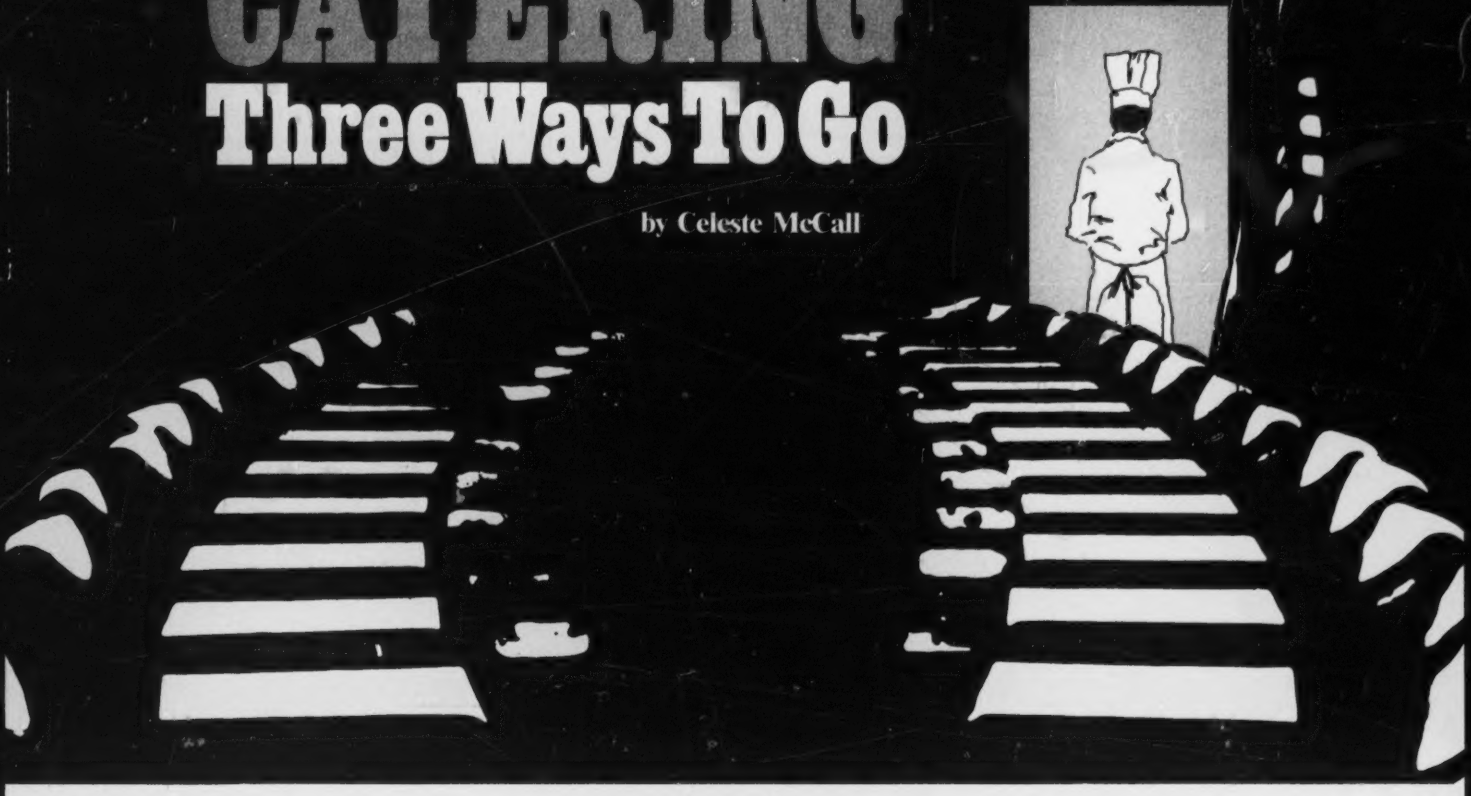
"Word gets around," says Elias. "If you're not using the proper food handling equipment or your operation is unclean, the local sanitarians know. In a large city, for example, government agencies or big corporations may look to the sanitarian for advice on whom to hire for a large catered event."

And at smaller gatherings, people know each other. When they get ill, they compare notes. And the problem quicky comes back to haunt the caterer. In conclusion, no caterer can afford an outbreak of food poisoning. ❑

CORPORATE CATERING

Three Ways To Go

by Celeste McCall



The catering business is booming, and leading the list of customers are corporations. No longer dominated by social affairs, such as weddings, anniversaries and bar mitzvahs, more than 80 percent of today's catering business appears to be geared to corporate clients. But with this shift in emphasis comes increased competition.

"To survive, you need the corporate market," says Holly Safford of the Catered Affair, whose business, located outside Boston, is 75 percent corporate. "Otherwise, you would have to rely on social catering, which is very seasonal."

The corporate market is segmented . . .

There are several ways to tap the corporate market, depending on the level of catering a corporation desires. Generally speaking, catering involves several levels of entertaining, and each level carries with it a separate set of marketing strategies, approaches, client expectations, styles and types of food served and, of course, profit potentials.

Jay Treadwell, general manager of Ridgewells Caterers, located in Bethesda, MD, outside of Washington, DC, defined those catering strata in a speech delivered at NRA's conference on off-premise catering last fall. Treadwell described the three catering segments as shallow, mid-level and deep with most functions falling within the shallow category. At the bottom (shallow) level, Treadwell says the corporate function is likely to be a low-budget, on-premise company breakfast or lunch. The profit margin for such a service is low, and the client is charged about $6 to $10 per person. However, the number of people served often is high, and the meals are likely to be light and simple.

Chicken, fish and vegetables are more popular for low-level events than heavier foods, such as steak or roast beef. The Catered Affair caters many low-level company lunches. "Many offices don't have kitchen facilities," Safford points out. "So I just deliver hot casseroles." One popular combination features chicken, spinach and Swiss cheese.

How to make contact in "shallow" functions . . .

To garner this basic market, Safford takes the direct approach. She drives into Boston, finds a likely office building and leaves literature, including a special corporate menu, with the front desk.

"I got my first break with a distinguished Boston law firm," she recalls. "I was able to do a job on short notice, and we developed a very nice association. Through that association we established credibility in the Bos-

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Celeste McCall is a freelance writer who contributes regularly to the food section of the Washington Times.

ton corporate market. Networking—people-to-people and corporate-to-corporate contact—got us launched."

Safford also advocates joining professional organizations to build corporate contacts.

Dorothy Krupnick, who with her husband, Paul, runs Gourmet Catering, Inc., in New York City, also believes in the direct approach. "To get prospective clients, I knock on doors, use contacts and do tremendous follow up with mailed material and phone calls. These tactics often culminate in appointments."

Krupnick also peruses major regional publications, including listings of senior management officials and editors of corporations, media organizations and public relations firms. To those officials she sends printed information, along with a box of homemade chocolate truffles to "sweeten the potential." It works, she says.

Once a client is enticed, Gourmet Catering relies on a simple but clever means to assure repeat business. "We slap a small, tasteful label on each delivery platter. If the customer likes the food, he knows where it is from," the Krupnicks say.

Besides being simple, low-level or "shallow," catering jobs are apt to be spur-of-the-moment affairs, allowing little lead time, often not more than 48 hours. Treadwell emphasizes the importance of on-time performance for these jobs, particularly for a relatively short luncheon.

"If a business meeting allocates an hour and a half for lunch and the caterer shows up a half hour late, he might as well forget it. He won't be hired back."

How to penetrate the mid-level market . . .

Next up the scale in the corporate catering market is the mid-level affair, which more than likely will be an executive luncheon or reception held in the company building. Often those events are centered around the welcoming of a new executive or the construction of a new building. Treadwell advises caterers to be on the lookout for wrecking balls—the demolition of a structure means the construction of a new one—and the unveiling of a new product or concept. Corporations know that food can be used as an effective selling tool.

Other mid-level corporate happenings that might require a caterer include: farewell parties for executives, carry-in meals for filming sites (especially in New York or Los Angeles), entertaining of clients, an open house, a public relations event and, of course, seasonal business happenings, including company picnics and the perennial office Christmas party.

Those functions are less likely to be short-notice jobs than the shallow-level ones. Lead time can be up to two months. Generally speaking, mid-level receptions will require modest but good hot and cold hors d'ouevres along with an open bar. Popular standbys, such as roast beef and shrimp, should be balanced with

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Cementing the caterer/client bond

by Michael A. Roman

Today off-premise catering is considered by many foodservice professionals to be the fastest growing segment of the foodservice community. In addition to the continued growth of social and corporate caterers, many restaurants, gourmet food stores, hospitals, schools, hotels, nursing homes, department stores, business and industry food contractors and others have already begun, or are preparing to begin, to offer off-premise catering to their customers.

When a foodservice operation decides to offer off-premise catering to its present customers, concerns usually quickly arise about the necessity and importance of utilizing contracts, and securing deposits.

Contracts—the "blueprint" . . .

A basic reason to have a contract for off-premise catering is to provide a vehicle for explaining the mutual and specific obligations being created between the client and the caterer.

In the daily business of a restaurant, for example, contracts are obviously not needed. After all, the restaurant patron's daily food and beverage selections are spontaneous in nature and do not require a binding contract due to the nominal amount of costs involved.

However, when the same restaurant patron uses the off-premise catering department of a restaurant to entertain 100 guests in his or her home to celebrate an anniversary or wedding, the stakes are much higher because of the complexity of the decisions, the importance of the event to the customer and the total amount of money that is being spent. A catered wedding today will often cost in excess of $5,000 and will represent one of the family's major purchases.

The need for total understanding between yourself and your client is important to you as well since you are leaving your own foodservice facility with food, staff and equipment and entering an unfamiliar party location that has not been selected by you and one that will be filled with unlimited surprises and challenges. A catering contract, when used correctly, will provide a "blueprint" detailing your client's wishes as well as a "road map" permitting your staff to succeed with the catered affair since they will know all the specifics that have previously been agreed upon.

What form should a contract take? . . .

While there are many different approaches to the form a catering contract may take, most contracts seem to fall into three types. First, there is the formal written contract that is signed by both parties before it is finalized. Second is a more informal contract that is in a written form, usually a series of letters, but does not require a formal signing. Third is the verbal contract that utilizes a handshake form of finalization.

There is no general agreement among caterers whether a contract should be firmly written and signed by both parties or be more casual in nature.

Many operators believe that a

Michael A. Roman is president of the National Institute for Off-Premise Catering and The Mixing Bowl, Ltd., both located in Chicago, IL.

something unusual, perhaps the year's "in food." This year it might be creamy goat cheese or steamed baby vegetables.

"Business people have gotten away from heavy meat-and-potatoes lunches," Safford notes. For mid-level functions, The Catered Affair often relies on ragouts (peasant stews), which Safford sometimes makes with veal and artichokes and serves with foccacia (olive bread). Also popular are entrees such as "Merry Old Sole," sole fillet with scallops, shrimp and crabmeat bound with mozzarella cheese and served with Hollandaise sauce. Suitable for lunch or dinner, those meals run about $17 per person. Most caterers charge from $10 to $20 a head, including food, beverages and labor, for mid-level affairs.

Deep-level functions are image builders . . .

At the top of the ladder is the deep-level function, which is usually the "image-building" reception or dinner. Such affairs are posh, and often hosted by corporation executives or corporation lobbyists for influential clients or associates.

Price is seldom an object in these affairs, and the profit potential is greater than for other types of catering. On the other hand, deep-level functions require a lot more work, planning and, of course, cash outlay, which is not always recouped at the time of the event. Since corporations usually have a billing cycle, payment can take anywhere from seven days to two months. Deposits are also uncommon.

An example of opulent, deep-level catering was a gourmet-quality, sit-down dinner for 38 bank executives crafted by Gourmet Catering.

The party was hosted by a large bank insurance company, and the entire package included rental of a turn-of-the-century Manhattan mansion, hot and cold hors d'oeuvres, an open bar with top brands, and a dinner served with fine china and glittering crystal. The menu included linguine with shrimp and leeks, veal stuffed with spinach and chanterelles, several vegetables, a salad with arugula and watercress and an apple and honey vinaigrette, a chocolate chestnut mousse served with raspberry sauce and creme Anglais, fine wines, brandies and cigars.

Gourmet Catering provided 15 staffers—almost two per guest—along with a pianist, a harpist and a $600 floral arrangement, which afterwards was placed in the limousine of the host and his wife. The tab came to $300 per person.

Needless to say, most catering jobs, even so-called "deep" or high level ones are hardly this swank. High-level jobs begin as low as $25 per person and escalate, depending on the needs of a client. For example, a meal could be catered on a chartered jet, and the cost of the rental would be figured into the per person charge.

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signed contract provides their company with a firmer sale. Others maintain that the signed contract often gets in the way of the client's relationship with the company. I personally have found that there is a need for both styles of contracts, and that the resulting flexibility brings peace of mind to both the client and the operator.

Whatever form or forms a company may use, the single most important factor is clarification! The client should not be able to say to the company, "I didn't know that I was responsible for . . ." or "Nobody told me that . . ."

List of basic elements . . .

While your attorney should have the final word on the formation, style and content of the contract you decide to use, here are a few of the basic elements that should be included in a catering contract:

- the specific date and day of the week of the catering event
- the specific location of the event
- the specific time the catering event starts and ends
- complete menu and beverage selections
- guaranteed number of guests to be served
- an itemized summary of projected actual costs
- an itemized summary of possible extra costs
- explanation of cancellation and refund policy
- explanation of deposit policy
- clarification of client's responsibility for damages or losses and
- explanation of payment terms.

Deposits finalize a contract . . .

Should your catering department require deposits? The answer is to be found in your own attitudes and business beliefs. Most operators are convinced that a deposit provides greater control over the situation and a cushion against a client's last-minute cancellation or dispute over the billing.

Other operators believe just as strongly that a deposit is not required or is not possible from certain clients. They point to the friendly and long-established relationship between their clients and the company.

While this friendly feeling has merit in some cases, the reality of the marketplace requires that most operators actively obtain deposits to place a finalization element to a contract. When a deposit is received, the company knows that the intentions of the client are honorable and, therefore, the event can be officially "booked."

Clients often appreciate deposits as well since in their minds a deposit locks in the caterer and assures that all of the mutual obligations will be performed.

Deposits help with cash flow . . .

Deposits also are an integral part of a total cash management program. They create cash flow that enables a caterer to purchase necessary raw material for the event.

Obviously, the amount of deposits required will vary from situation to situation. However, in general, deposits range from 25 percent to 80 percent of the final bill. The amount requested usually depends on the length of time needed for billing and payment. Corporate clients often require 30 to 60 days to process their bills.

Contracts are the glue that forms the bond of understanding, confidence and trust between the client and the caterer. It's quite normal for anniversaries, weddings and bar mitzvahs to be planned 8 to 14 months in advance of the actual catering date. It is during this long period that some elements of the original agreement are forgotten and can result in a confused and troubled client. The use of a contract will usually prevent misunderstanding and help bridge the time gap. ❑

Contacts required . . .

Going after the top market requires more than persistence. You need contacts. And many contacts come from previously successful catering engagements.

For "deep" or high-level catering jobs, Safford relies on direct sales, making initial contact over the phone. (A caterer's telephone manner is very important; success is often determined by the first few seconds on the phone.) Safford then follows up with mailed material, including a special menu.

"We get a lot of repeat business," Safford adds. "We become familiar with the building of our clients (such as the location of electrical outlets), and we learn their habits and tastes, for example, which of them likes wine with dinner.

"It is also important to follow up with a phone call after a catering event. Ask if the food and service could be improved. Did something fall through the cracks? A caterer should know right away. Also, try not to say "no." For example, if a customer calls for a catering job and you turn him down because you are busy, he will call someone else and you will lose his business."

How can a caterer handle several jobs simultaneously? Gourmet Catering, which has only one delivery truck, handles the problem by hiring a courier service. Since much of its business consists of simple carry-in lunches for Manhattan firms (sandwiches, salads, desserts and beverages), and everyone wants lunch at 12:30, Krupnick simply pays a messenger to deliver the lunch. He passes the cost—about $16—on to the client.

Like Gourmet Catering and The Catered Affair, other small firms have also earned their slice of the corporate pie.

Small firms earn their slice of the corporate pie . . .

Busy Day Gourmet, a small, three-person catering operation based in Murrysville, PA, a suburb of Pittsburgh, has successfully tapped the corporate market.

Now in its fourth year of business, Busy Day Gourmet, the brainchild of Judy Spitler, Pearl Smith and Dotty Kocur, has attracted prestigious clients, such as IBM and Westinghouse.

How has that trio been able to compete with the large-volume catering firms? "First of all, you have to offer a quality product," says partner Pearl Smith. "We are unique in the Murrysville area in that we offer gourmet items which are otherwise not available unless you drive to Pittsburgh. One thing we keep in mind is that people like eye appeal. Everything we do is hand-garnished. We carve vegetables, such as carrot tulips and tomato roses.

"We also like to introduce new items for our customers to try, such as garlic Parmesan rolls instead of the regular clover-shaped dinner rolls," adds Smith.

How does a relatively small catering firm like Busy Day Gourmet, while insisting on freshly made quality gourmet fare, still manage to come out in the black? "You have to set your price," says Smith. "People will look at our $6-per-dozen hors d'oeuvres charge and say 'Wow! That's expensive!' But the items are expensive because they are hard to make.

"In catering (corporate or otherwise) you have to take the risk that the public might say no. If the public does reject an item, you simply have to remove it from your menu. It is deadwood.

"On the other hand, if a customer is accustomed to an item, he or she won't want to switch, even if it is expensive. You have to find out what the public will bear. For example, our gourmet turkey breast is expensive, but the public likes it. We had to up the price three times last year and no one blinked."

What corporations look for . . .

What does a corporation look for in a caterer? Richard Ysmael, corporate director of food services for Motorola, a multi-national high tech industry, replies, "The philosophies of the caterer and corporation have to mesh. That is, both would have to adhere to the same specific standards."

"It depends on what kind of function we want," says IBM spokesperson Kathy Riemer from her Chicago office. "Our events range from fairly casual to formal. However, it is a given that we look for very good service, flexibility, quality and punctuality. Sometimes—not always—uniqueness is a plus. For example, we might have a kick-off meeting with a theme, such as the Olympics, and we would want health-type refreshments."

Chicago caterer Michael Roman of the Mixing Bowl sums it up: "Dependability—that includes the food, presentation and style. A corporation cannot be embarrassed." ❑

Ways to tap corporate catering

First, a caterer needs a good program to offer a corporation. Then the caterer must develop ways to communicate that program to prospective customers. To tap the "deep" or high-level catering market, provide a four-color brochure that emphasizes the caterer's strengths and specialties. Other effective techniques include

- **getting the word out through direct mail efforts; be sure your business card looks professional**
- **adding special menus in your information packet that are geared to corporations**
- **investing in media advertising to regularly keep your name before the public**
- **building recognition with off-beat events; one caterer sponsors contests, such as a chili cook-off for corporate vice presidents**
- **tapping the lucrative convention business; get to know the sales managers of local convention hotels in your area, perhaps through a local hotel association if your town has one; while a hotel will not send a guest to a competitive hotel, it might contact an off-premise caterer for a function**
- **joining your local chamber of commerce and/or convention bureau, where you can learn about out-of-towners who are having meetings in your area and who might need a caterer**
- **studying the directories in office buildings; walk in and talk to the receptionists; whatever you do, always leave a press kit, even if you have to leave it with the receptionist and**
- **joining professional organizations where you can meet corporate officers and other influential people.**

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Serving Up The Right NAME

by Elyse Cuttler

When you hear the names Al's Bar and Grill, Burger King, El Torito or The Fish House, what do you think of? Can you picture the type of establishment and the type of food served? Chances are you can, and you will probably be right on the mark.

But what about Nippers, Little Red Riding Hood's, earth by april or The Pirates' House? What can you expect from these establishments? What kind of food do they serve?

Naming restaurants is not always an easy task. Many owners put a lot of time into this process. Yet others come with a name right at the start.

Building on a nickname . . .

When Horatio Lonsdale-Hands and Arthur van Wiesenberger set out to name their operation, they already knew whom they wanted to attract. The establishment was to be a limited menu concept, serving only champagne, caviar and indulgences, such as foie gras, Brie and chocolate cake. The atmosphere was to be fun—promoting dancing, laughter and good conversation. The two partners had grown up enjoying these things, having been schooled in Europe with vacations in Switzerland. They wished

Match the restaurant name in the left column with the appropriate origin in the right column.

Restaurant name	Origin of name
1. Nippers	**A.** Inspired by a poem by e. e. cummings
2. Houlihan's Old Place	**B.** Identified with cherished thoughts of a catered event
3. Little Red Riding Hood's	**C.** Named after a haberdashery
4. earth by april	**D.** Takes its name from a popular hat in Italy
5. The Sardine Factory	**E.** Located on Wolf Road
6. An Affair to Remember	**F.** Features wholesome, natural foods
7. Fedora's	**G.** Based on a Robert Louis Stevenson story
8. Maggie Mae's Road House	**H.** Located in a converted bordello
9. Plaza III	**I.** Named for the three executives who started the company
10. The Good Food Company	**J.** Named after the dog on old RCA label
11. The Pirates' House	**K.** Brings back memories of early days on Cannery Row
12. Maggie Mae's Creek House	**L.** Features 50s and 60s music
13. Maggie Mae's Sport n' House	**M.** Identified with an English seaport
14. Bristol Bar & Grill	**N.** Named after a tavern in Ithaca, NY

Answers: 1.(J); 2.(C); 3.(E); 4.(A); 5.(K); 6.(B); 7.(D); 8.(L); 9.(I); 10.(F); 11.(G); 12.(N); 13.(H); 14.(M)

earth by april

to bring this lifestyle to California.

"The name had to be something distinct and memorable, but it also had to convey a certain meaning to our customers," says Lonsdale-Hands. "It had to be something they could identify with."

"My partner's nickname (Arthur von Wiesenberger) is Nippers, after the snappy little dog on the old RCA logo. His father invested in RCA stock in the early days," explains Lonsdale-Hands, "and we decided that Nippers would be a memorable name."

And, indeed, it was. With 133 brands of champagne to choose from, entertainers, young up-and-comers and the beautiful people all turned out to make Nippers their home-away-from-home. Billed as a "dancing and drinking establishment open to ladies and gentlemen only," Nippers quickly built a loyal following. Success prompted the two entrepreneurs to open a second Nippers in the posh Beverly Hills location of Rodeo Drive.

Nipper's

"I wouldn't say the name is the most important aspect of the business, but I think it has helped us. I don't think we would have the same effect if we chose Grandma's as our name," he concludes.

Chancing upon a name . . .

Sometimes the perfect name is a result of a fortunate coincidence as it was for John Fulcher, owner of Little Red Riding Hood's Restaurant in Geneseo, IL. "What would you name a restaurant on Wolf Road?" he asks.

The fairy tale name seemed a natural for this family-oriented restaurant located on a country road. "The name is certainly memorable. And if customers forget the address, all they have to do is think for a minute, and it will come to them," jokes Fulcher.

The name led to the restaurant's theme, which is evident throughout the restaurant, from the large, framed Little Red Riding Hood pictures on the walls and the small, stuffed, gray wolf dressed in grandmother's clothes to the cute costumes worn by all the waitresses. The menu, too, depicts the story with such selections as "the wolf's breakfast," "grandma's special" and "Red's basket of chicken."

"Adults enjoy the enchantment as much as the kids," he says.

Starting with a concept . . .

Instead of suggesting a theme, a name can be an outgrowth of a concept. That's what happened when Carol Patrick opened her restaurant, The Good Food Company in Morgan Hills, CA. "I've been in the business for 27 years, working in all areas of foodservice," she explains. "I knew that when I opened my own restaurant, it would have to contain the kind of food I wanted to eat—good food. The name was a definite outgrowth of that concept."

The Good Food Company has established quite a reputation for its wholesome, natural products with very little prepared items. Patrick's success has spawned a second Good Food Company as well as a catering operation called An Affair to Remember. The name was another of Patrick's ideas and bears no connection to the vintage movie of the same name.

"I tried to stay away from common names. I thought 'When someone has an event catered, they want to remember that occasion,' so An Affair to Remember seemed appropriate."

Saved by a poem . . .

For some, however, naming a restaurant is not that easy.

Leonard Horowitz claims that a poem by e. e. cummings saved the day when he was planning his restaurant in 1973. Horowitz's establishment was opening in the college town of Cleveland Heights, OH, just outside of Cleveland, and the cuisine was to be strictly vegetarian.

"I wanted to name the restaurant Food for Thought," he recalls, "but then I decided against it."

Three days before the restaurant was scheduled to open, Horowitz still hadn't come up with a name. He began to look through books of poetry when he read a poem by e. e. cummings that struck him. One of the

little
red
riding
hood's
Restaurant

lines contained the words "earth by april," and Horowitz decided that would be the name of the restaurant.

"Many people have asked me about the name," he says. "It seemed to fit the establishment at the time. The entire poem is printed on the back of the menu."

Throughout the years, the restaurant has matured and changed, as has the woodsy college type who once frequented the place. "The restaurant is more upscale than it was in the past. I've added seafood and veal dishes to the menu to cater to a broader spectrum of the dining-out public," explains Horowitz. But Horowitz won't change the name because it has become synonymous with the restaurant.

Inspired by historical fiction . . .

History and historical fiction can also be the inspiration for a restaurant's name and theme.

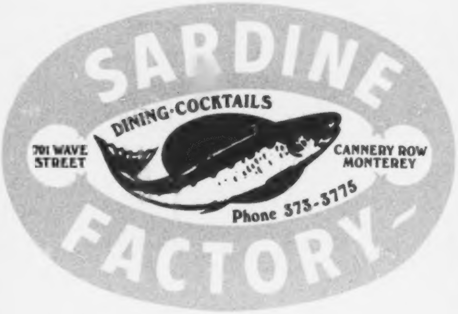
The Pirates' House in the seaport town of Savannah, GA, is one example of this naming tradition. The restaurant served as an inn for visiting sailors in the mid-18th century. It was then that it became known as the Pirates' House. Rumor has it that Captain Flint of *Treasure Island* fame died in the building and that his ghost still haunts the place.

Herb Traub, owner of the Pirates' House, is dedicated to preserving all the historical artifacts that adorn the many dining rooms. Ships' bells, saddle hooks, fish nets, old cutlasses,

model schooners and even Captain Flint's wooden leg are seen by the nearly 1,000 guests who pass through the restaurant each day.

"The name has historical significance, and customers are curious about the 18th century memorabilia they find here," he explains.

In a similar vein, author John Steinbeck's immortalized Cannery Row is the setting of a restaurant in Monterey, CA.



The Sardine Factory, a distinctive dining establishment, is not what it was in a previous era. "The operation was named after the first restaurant on Cannery Row to feed the sardine workers," explains owner Ted Balestreri, who is also NRA's vice president.

He goes on to explain that when the restaurant first opened in 1968, customers were initially a little confused by the name and then pleasantly surprised by what they found. The atmosphere is elegant, and the establishment quickly became known as one of the most famous restaurants in the country.

Balestreri is quick to admit, however, that the name itself does not depict the restaurant image. "But," he notes, "most customers who haven't read Steinbeck and are visiting the area will immediately realize what Cannery Row means."

Expanding on a good idea . . .

When an operator has more than one establishment, it is important that each has a separate identity, although they may all be connected by a common theme.

Dan Fleck of 43 Skdoo Corporation (Maggie Mae's) in Pittsburgh, PA, has successfully named three restaurants. The first step was to determine the market—in this case, young adults. The names all echo that orientation.

Questions you should ask before choosing a name

Consultants engaged in restaurant planning recommend that restaurateurs ask themselves the following questions before choosing a name.

- **Whom do I want to attract to my establishment?**
- **What is the age, income and education of these individuals?**
- **What type of service will be offered? Upscale? Casual? Full service? Limited menu?**
- **What kind of food will be featured? Expanded appetizer menu with finger foods? Nouvelle cuisine? American regional?**
- **How do I want customers to perceive the establishment? As a fun place? As a place to bring business associates? As a place to have an intimate dinner for two?**
- **Will menu descriptions be lengthy or simply worded?**
- **How will the menu be designed? Will it have daily inserts? Will it be handwritten? Will it be printed in two colors or four colors?**
- **What will be the average check size?**

"Susan (Fleck's wife) and I sat at our kitchen and wrote down names we believed would fit in with that clientele," Fleck recalls. "My favorite was Willy and Archie's Bar and Grill but Susan liked the name she came up with—Maggie Mae's. Initially, I didn't like that name because it reminded me of Rod Stewart (the rock star of the 70s) and the restaurant would feature 50s and 60s music."

However, Dan Fleck finally relented and the restaurant became known as Maggie Mae's Road House—because it is located on an outlying road in a suburban community.

The next two restaurants that Fleck opened were a continuation of the original Maggie Mae's concept. "Our second restaurant is an old Victorian house that sits on the bank of a creek. Susan and I met at a tavern in Ithaca, NY (Cornell University) called the Creek House so I decided to name the restaurant Maggie Mae's Creek House."

Fleck kept the Maggie Mae's prefix because he wanted customers to associate one restaurant with the other—although the Creek House is a little more upscale than the Road House. Explains Fleck, "The Maggie Mae's concept became very successful, memorable, in fact, and I didn't want to lose that identity."

When the third restaurant was about to open on the north side of Pittsburgh in an area that was formerly a red light district, Fleck's idea was to decorate the establishment to resemble a bordello. The name: Maggie Mae's Sport 'n House. This restaurant appeals to the same type of clientele as the other two. "It's important to carry over the commonality from one establishment to the next," says Fleck, "but each must have its own flavor, and that should be reflected in the name."

Establishing separate identities . . .

In contrast, the Gilbert/Robinson Corporation, Kansas City, MO, set out to establish each of its restaurant concepts with a separate identity.

One establishment, Houlihan's Old Place, got its name because it occupied a building where a haberdashery was located for many years. The theme of the restaurant was to be fun, and the decor depicted this theme right down to the menu descriptions. Now that restaurant has expanded into many locations around the country. The company is slowly dropping the "Old Place" part of the name, because it doesn't want its customers to associate oldness with its restaurants.

Another Gilbert/Robinson restaurant that is primarily a seafood establishment was named The Bristol Bar & Grill after the city in England famous for its seafood.

The Plaza III concept, an upscale establishment, was named for the three executives that started Gilbert/Robinson, (Gilbert Sr. and Jr. and Paul Robinson).

And Fedora's, a restaurant with a European flair and whimsical overtones, was named after a soft felt hat popular in Italy.

"The names were chosen in most cases after the target market was set," explains a company spokesperson. "When we were definite on that variable, we were able to think about the name, not vice versa." ❑

RESTAURANT COOKBOOKS
ENTER A GOLDEN AGE

by Toni Lydecker

Of the 50 people listed in "Who's Who in American Cooking," published recently by *The Cook's Magazine,* 30 are restaurant owners, chefs or both. This impressive statistic gives an inkling of the pervasive influence of innovative restaurateurs in creating a uniquely American cuisine. In many cases, knowledge of their culinary discoveries has not come from the confines of their restaurants alone. It has spread to food lovers across the country through meticulously compiled, beautifully illustrated cookbooks.

Promoting the combination of classic French cuisine with American ingredients and ingenuity is Alice Waters, owner of Chez Panisse in Berkeley, CA. She has followed up her highly successful *Chez Panisse Menu Cookbook* with one on pasta, pizza and calzone, and plans for other cookbooks are underway. Similarly, Paul Prudhomme, owner of K-Paul's Louisiana Kitchen in New Orleans, LA, has vastly enlarged the audience for Cajun and Creole dishes through the recent publications of *Chez Paul Prudhomme's Louisiana Kitchen.*

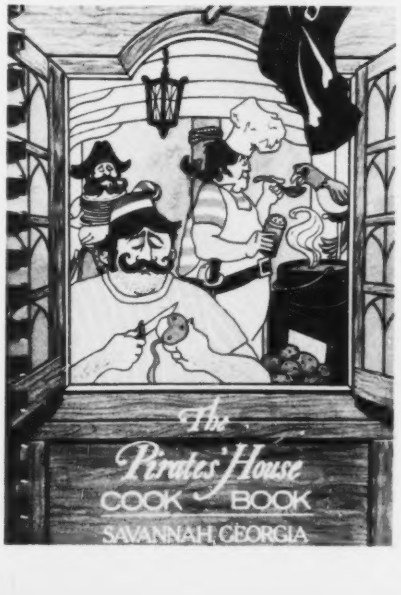
Working with a cooking tradition going back 200 years, Prudhomme has created fascinating variations on grand themes, such as crawfish etouffee, gumbos and jambalayas.

Sometimes the impetus for a cookbook is not to push back culinary frontiers but to celebrate a restaurant's illustrious past through publishing its most prized recipes. This is certainly true in the case of *The Russian Tea Room Cookbook,* which traces the growth of a small tea and pastry shop established in New York City in the 1920's into a famous restaurant known as much for its celebrity clientele as for its food.

Carol Schneider, publicity director for Random House, which publishes the Chez Panisse cookbooks, thinks that this may well be a golden age for the restaurant cookbook. "It's no longer a matter of the best French chef in a certain city putting together a book. The celebration of American cuisine, based on regional dishes, has spawned more imaginative restaurant cookbooks in the past few years—many of them written by chefs bred and trained in this country," she says.

Not every restaurant has the potential to produce a blockbuster cookbook, of course. In fact, as Schneider points out, "The competition among cookbooks is very intense. For this to be a productive enterprise, the restaurant must first be recognized as having something unique or new to offer. Otherwise, the book will be lost in the market—if it gets published at all."

Even when a cookbook fails to hit the bestseller list, many restaurants find that it has paid for itself by promoting interest in the restaurant and its cuisine. Many restaurateurs are finding that a collection of their best recipes not only pleases customers but also finds its way into a broader local or regional market. A cookbook can also perk up the morale of chefs and other staff involved in its cre-



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*Toni Lydecker is a free-lance writer in the Washington, DC, area who frequently writes on foodservice topics for **NRA NEWS**.*

ation, as long as the work is relegated to times when the normal business of the restaurant is relatively slack and appropriate credit is given to staff contributors.

Responding to customer requests . . .

Often the incentive for compiling the cookbook is practical: to respond to repeated customer requests for recipes and, sometimes, for more information about the restaurant itself. Appropriately, Sound Food Restaurant and Bakery in Vashon, WA, entitled its 39-recipe cookbook *Recherche' Recipes* (the first word translates from the French as "sought out, asked for again"). Owner Gwen Palmer likes "promoting the idea that people can use our approach to cooking with fresh foods in their own homes." Half of the 2,000 copies in the initial printing have sold through the restaurant and two other local sales outlets, and Palmer hopes to distribute the book as well in nearby Seattle, where the restaurant has a loyal following.

Choosing the recipes . . .

The theme of the cookbook determines the selection of recipes. Often the theme can be expressed simply as "the restaurant's best (or more famous) recipes." This works well only when the restaurant's cuisine has a strong unifying theme or philosophy.

For instance, the menu of Sound Food Restaurant and Bakery focuses on from-scratch dishes made of fresh foods. Its systematic approach to choosing the 39 recipes most popular over the past five years included not only soliciting the impressions of staff but also surveying customers to find out which ones they would like to see in print.

The most thoughtfully conceived cookbooks often have an emphasis quite distinct from that of the restaurant's menu. The Russian Tea Room serves the whole gamut of traditional American foods, but its cookbook singles out only Russian recipes from the menu. Owner Faith Stewart-Gordon explains in the introduction: "This is not a diet cookbook or quick-preparation cookbook. Here we want to make traditional and classical Russian recipes . . . available to the home cook."

"It is often the supplementary material that determines the style of the cookbook."

Narrowing the theme by selecting only one or two categories of food is especially appropriate when the restaurant hopes to publish several cookbooks. While the first Chez Panisse cookbook included recipes from every part of the menu, the second one focused only on pizza, pasta and calzone; and future cookbooks are likely to have a similarly narrow focus. Breads, desserts, one-dish meals and appetizers are just a few of the menu categories that might warrant treatment in separate cookbooks.

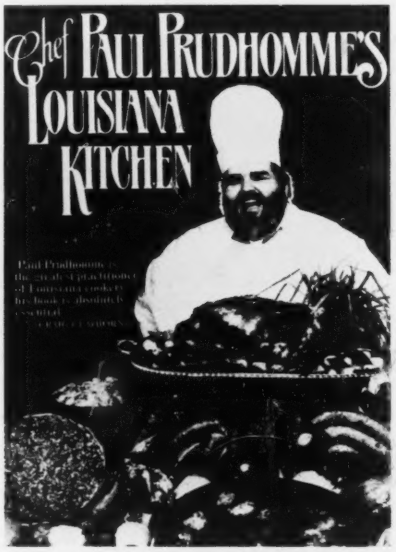
Restaurants contemplating the publication of a cookbook usually welcome the idea of sharing recipes. "I've never said 'no' when someone asked for a recipe. A restaurant is more than recipes—people will come whether or not they know how to make the food themselves," says Kenneth Koock of Green Pastures Restaurant in Austin, TX. Nonetheless, a restaurant has the right, without apology, to hold back a few recipes even from its own cookbook. Tony Vallone, who is currently writing a cookbook for Tony's in Houston, TX, says some sauces and certain seasonings served at Tony's will remain classified information and cites a white seafood sauce served over pasta as a recipe not to be given out. When answering a customer request, he sometimes softens the refusal by offering a similar recipe but adds, "I always emphasize that the substitute is different from what they have tasted in the restaurant."

Adapting recipes to home kitchens . . .

"A Mozart symphony recorded by five different orchestras sounds different every time. It is the same with food—a different cook with the same ingredients will produce different nuances in taste," says Chef Louis Szathmary, owner of The Bakery in Chicago, IL, and successful author of five cookbooks, including *The Bakery Restaurant Cookbook*. Nonetheless, through careful and patient testing, a restaurant can and must make sure that such variations in recipes are minor—for all the goodwill a restau-

CHEZ PANISSE
PASTA
PIZZA & CALZONE
ALICE WATERS
PATRICIA CURTAN & MARTINE LABRO

DINING IN-HOUSTON
A Collection of Gourmet Recipes
From Houston's Finest Restaurants
By Rona Abbott and Ann Criswell
With A Foreword by Robert T. Sakowitz



Recipes can be short and simple . . .

Vegetarian Chile
(2 quarts)

3 cups pinto beans, soaked overnight 3 qt. water	Bring beans to boil in covered pot. Reduce heat and cook 1 hr. or until tender.
1 large onion, chopped 1 green pepper, chopped 1 T. oil	Saute vegetables in oil until onions are limp.
2 T. chile powder 2 t. granulated garlic 1 T. salt ⅛ t. ground clove dash cayenne	Add spices and saute briefly.
2 cups tomato puree 2 cups sliced tomatoes in juice ½ t. Tabasco	Add tomatoes, etc., and cooked beans in their liquid. Simmer 1–2 hrs. until slightly thickened and flavors have blended.

—from *Recherche' Recipes*, published by Sound Food Restaurant and Bakery, Vashon, WA.

rant cookbook aims to promote can go down the drain if the recipes do not work.

A restaurant that already possesses a well-organized file of detailed recipes has an excellent head start on producing a cookbook, but much work remains to be done. Nika Hazelton, a professional writer who collaborated with owner Faith Stewart-Gordon in writing *The Russian Tea Room Cookbook*, points out that changing proportions from restaurant quantities to those appropriate for a family or small party of guests is an arduous task. "The job is not simply a mathematical reduction; a constant adjustment of ingredients, seasoning and cooking times is needed for a proper reproduction of the original dishes," she says in the introduction. After observing the chefs and taking notes on their work, she tested the recipes repeatedly by herself, with home economists and with home cooks.

"The most thoughtfully conceived cookbooks often have an emphasis quite distinct from the restaurant's menu."

Many cookbooks designed for the home cook fail because the recipes were tested in the restaurant kitchen, according to Chef Louis. Like many other authors of restaurant cookbooks, he does his testing at home.

That seemed inconvenient to Paul Prudhomme of K-Paul's Louisiana Kitchen, so he and an assistant, Paulette Rittenberg, set up a test kitchen adjacent to the restaurant kitchen. It is equipped with a home stove and thin-bottomed pots and pans most commonly used in homes. To reproduce other conditions under which a home cook works, they buy all ingredients from supermarkets, not from restaurant suppliers. As Rittenberg explains, the beautiful results that can be achieved with prime cuts of meat and cream with a high butterfat content are irrelevant if the reader cannot obtain ingredients of that caliber.

Rittenberg describes how the pair worked in the kitchen to test the recipes in *Chef Paul Prudhomme's Louisiana Kitchen:* "Chef Paul cooked while I wrote everything down, asked questions and forced him to measure everything. Sometimes we did a recipe two or three times before he was happy. Then I retested it alone to make sure I got the same results." Food made according to a recipe that passed muster for the cookbook was served that day to customers; despite the differences in raw ingredients, the dishes were up to par with the food served in the restaurant.

"Many cookbooks designed for the home cook fail because the recipes were tested in the restaurant kitchen."

Determining the style with supplementary material . . .

The lion's share of work is done once a restaurateur has settled on a theme, selected interesting and appropriate recipes and tested them thoroughly. Now is the time to polish and organize the recipes and write supplementary material, such as explanatory notes and the introduction. It is often the supplementary material that determines the style of the cookbook as the restaurant's convictions about food and cooking and assumptions about the audience begin to come across.

The Pirates' House Cookbook, for example, is written with the novice cook in mind. "We wanted to give every detail to make sure the reader who follows directions will get a finished product essentially the same as the dish served in the restaurant," says Owner Herb Traub of The Pirates' House in Savannah, GA. In addition to spelling out each procedure in detail, recipes often smooth the cook's path by including prepared products, such as onion soup mix and chocolate wafers.

In contrast, Alice Waters does not dot every "i" and cross every "t" for readers of her cookbooks. In the introduction to *The Chez Panisse Menu Cookbook*, she says: "My style of cooking involves combining ingredients that harmonize because of their quality, freshness, aroma and flavor. If you should encounter an unfamiliar technique or process in these recipes, it is the simplest thing in the world to check any of the procedurally oriented cookbooks." She encourages readers to improvise both in executing specific recipes and in planning menus. Although the execution of a recipe is usually not complicated, Waters sets exacting standards for the selection of ingredients. Readers who cannot come up with tiny eggplants, cranberry beans and fresh fennel even after visiting every specialty shop in town are encouraged to grow their own.

Paul Prudhomme offers readers a great deal of information about cooking methods and the reasons for using them. He has organized his recipes with the easier ones at the beginning of each section. Encouraging readers with characteristic heartiness to "jump right in the skillet," Prudhomme guides them in an admirably systematic, thorough way. Still, many recipes of deceptively moderate length call for such ingredients as "basic seafood stock" or "basic pork stock"—separate, time-consuming preparations also outlined in the book.

> **"This may will be a golden age for the restaurant cookbook"**

Prudhomme adds a lagniappe (the Cajun expression for "a little something extra") at the end of many recipes. There he may explain why stirring a certain sauce does not produce the same effect as shaking the pan back and forth, or that, to a Cajun, a "piquant" sauce is one that "is hot and hurts like a sticker in your tongue." *The Russian Tea Room Cookbook* is also effective in its use of notes before or after a recipe to offer asides about the origin of a dish, how it is served in the restaurant or tricks for making it succeed. In the note following a recipe for piroshki, for example, the author explains the name of the dish comes from the Russian word for feast, that these turnovers go with soup and that the chief baker in the restaurant makes hundreds every day.

Alternatives to a cookbook . . .

Even a cookbook done on a small scale requires an enormous commitment of time and other resources that can divert attention from the more pressing concerns of running a restaurant.

If producing an entire cookbook seems too ambitious, a restaurant can still share recipes with customers through reproducing them on index cards or sheets of paper. Demonstrations by chefs at cooking schools or kitchenware stores or on television can also draw attention to the high quality of a restaurant's recipes. Cooperating with newspaper food editors and other media that ask for recipes is still another outlet.

Appearing in an anthology, such as *Favorite Restaurant Recipes*, published by Knapp Press, also can generate favorable publicity for the restaurant. Cookbooks containing recipes from a number of restaurants in a certain city offer another route to publication. *Chicago Gourmet*, by Sue Kupcinet and Connie Fish, combines reviews of about two hundred restaurants with several of their chefs' favorite recipes. A full menu, complete with wine suggestions, from each of 21 restaurants is offered in *Dining In—Houston* by Rona Abbott and Ann Criswell.

The disadvantage of participating in this kind of arrangement is that the restaurant or chef has no control over the quality of the book—and, of course, no share in the profits. Although the pattern has been for such books to be organized and marketed by writers and publishers, a group of restaurants might think of sponsoring a cookbook jointly. A collective effort would not only spread out the investment and the labor but also would give the restaurants involved broader distribution than a solo effort normally would. ❑

Getting your cookbook into print

The restaurant whose cookbook is accepted by a major publishing company can count on editors to clean up the text, artists to add beautiful illustrations and typography and publicity directors to schedule talk show and demonstration tours. More common is the restaurateur who produces a cookbook alone. Here are some pointers for getting a cookbook into print:

1. Assemble a team with the right skills. Cast your net into local staff and friends with skills that could be useful in producing the cookbook. Often a chef will turn out to have a knack for illustration, or the restaurant manager's brother may be a printer who will offer an excellent price. If you are asking staff members to work on the project, relieve them of some regular duties so they can devote adequate time to the cookbook. And make sure the quality of their work meets your standards—if it does not, you are better off hiring outsiders to complete other aspects of the project.

2. Get the recipes right. This is the cornerstone of any good cookbook. It means having at least two people test and record recipes—one to do the food preparation and the other to write down every detail. And it means proofreading the text carefully and critically at each stage of the production process, making certain no errors have crept in and nothing has been omitted.

3. Put the essentials ahead of the frills. It is better to limit the scope of the cookbook and, within those confines, to do it thoroughly and well than to spread resources too thinly. For example, an accurate index is a must, but beautiful color plates are not necessary to show how to perform a technique or how food should be arranged on a plate. A simple sketch might do almost as well, or a few extra sentences in the recipe could describe the food or procedure in more detail.

4. Choose a good publisher or printer. Find a company you can trust to do a good job. Ask other restaurants and community groups that have produced cookbooks you admire to recommend a publisher or printer. Once the specifications of the job are drawn up, get several bids before making a final commitment. In the case of a publisher, ask whether any help on in-store display boxes, banners and mail order blanks will be forthcoming. (Companies most likely to provide this kind of help are those that specialize in publishing sponsored cookbooks.)

5. Aim for quality, even on a shoestring budget. Evaluate paper and binding for durability as well as looks—cookbooks must be sturdy to endure the hard use they receive. A good printer will be able to suggest alternatives within the budget that do not scrimp on quality. Often, a softcover format can enable the restaurant to set the price at a comfortable level for impulse buying; a spiral binding, on the other hand, is both appropriate for small print orders and attractive to users because the cookbook opens to lie flat.

Fisher's law 60

Media mediation

If you have not already experienced it, at some point in your business life you are likely to be the focus of a media event, either as the central participant in a newsworthy story, as a spokesperson for a particular group speaking on an issue or, conceivably, as a randomly selected group member whom the media targets to get a "person on the street" sense of a particular situation.

The event may be a positive one or it may be negative in the sense that you need to avoid getting trapped into saying something you will later regret. The latter situation simultaneously tests your quick-mindedness and your ability to articulate clearly and concisely.

While volumes of books and numerous articles have been written on how to best conduct oneself during a media interview situation, I have found that keeping a few simple rules in mind can be the best guide and can achieve the maximum desired results.

1. Don't answer hypothetical questions with specific details. Reporters often ask hypothetical questions, such as "What would you do if . . ." or "What would happen if. . . ." You can't divine the future, and it is impossible to foresee all the factors that may have a bearing on any given future eventuality. Reporters delight in posing direct, penetrating and incisive questions. This is, in part, how they make their reputations, but that *does not* necessarily obligate you to give a direct answer. Reporters are really after a "revelation of your mind." If you were to answer with specifics and then not abide by your earlier statements, possibly for some very good reasons, at the time an event occurred, the media would return to your earlier remarks to suggest hypocrisy or worse.

The best answer in such circumstances is to state, in general terms, the *objectives* that would be sought at the time but which would not relate or suggest *specific* actions since specific actions are dependent on circumstances at the moment. The answer could be phrased in this vein: "If that situation arises, our objective will be to. . . . There would be several approaches, depending on conditions evident at the time." A response that is really a "non-answer" can be an effective response.

2. Always maintain the formality of the relationship in an interview situation. If you have ever watched "Sixty Minutes," you will note that some of the persons interviewed will address the reporter by first name in responding to the reporter's question, with such phrases as, "Well, Mike" or "As you know, Morley." I have found that reporters will often try to endear themselves to their subjects to subtly "break down" resistance, create the impression of a friendly relationship and/or to catch the subject off guard.

Don't let the reporter think you are "vulnerable" to friendship or flattery. You are much better off maintaining formality throughout (for example, "Well, Mr. _____ "; or "As you know, Ms. _____ "). It's a good discipline for you, and it keeps the reporter at bay. Keep the formality from start to finish. Even when you think the interview is over, it isn't. Former President Jimmy Carter found that out the hard way when his "lusted in my heart" remark received wide publicity during his campaign. Stay formal. Stay alert. Stay objective.

3. Don't say anything more than you want to or have to. Broadcast media reporters are taught to keep the microphone in front of you even though you have reached a natural stopping point in your comments. Reporters know that most people feel compelled to keep talking when a microphone is in front of them. Don't be caught by such a compulsion as you could blurt out something that would have been better off left unsaid. Say what you want to say or have to say; then leave it. Make the reporter take the next move. Don't let the silence bother you. If nothing is said, the reporter will cut the tape after what you did say, and silence will never "make air time."

4. If you want to be quoted, phrase your remarks so they are brisk, "catchy" and quotable. The media loves to print unique forms of expression, turns or plays on words and "attention grabbers" as they allow for high readership and headline interest. If at all possible, pre-plan what you want to say and condense it to a pithy, capsulized one-liner that provides the essence of what you want to say. As an example, some years back during the 1974 energy crisis, we received wide media distribution with the remark "with respect to energy, conspicuous conservation is rapidly replacing conspicuous consumption." (The phrase "conspicuous consumption" was coined by Thornstein Veblen in *The Theory of the Leisure Class*, a book with which many journalists are familiar.) The phrase captured the essence of the conservation message we wanted to convey.

5. Put the "best face" on every situation. This is not difficult to do in positive situations, but it should not suggest a Pollyanna attitude. In positive circumstances, an adequate dosage of enthusiasm, mixed with optimism and bouyancy, can cause a disproportionately beneficial contagion. In negative circumstances, concern, determination, sincerity and resolve are the qualities that should be evinced.

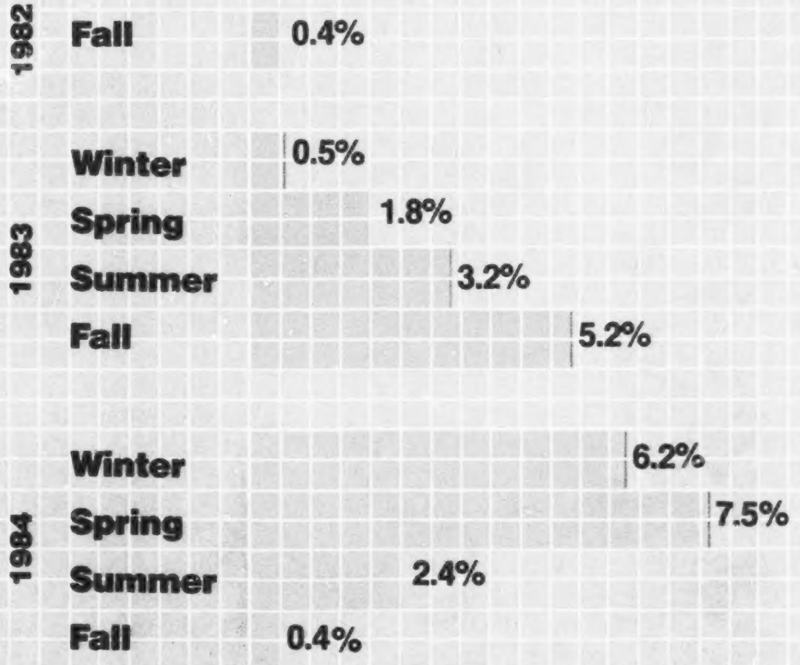
6. Don't answer questions that are beyond your knowledge span. This statement sounds self-evident, but it's surprising how easy it is to say something about matters one is not really qualified to address. There is absolutely nothing wrong with saying, "We are in the process of investigating it" or "I am not prepared to speak to that now, but more information will be available later. I'll see that you get it." That's far preferable than getting out on a limb and not being able to get back.

There is more that could be said but Fisher's 60th Law is the gist: ***"Manage your media experience like you manage your business. Know your objectives. Control the activities. Focus on results."***

CREST REPORT

September–October–November

Percent change in quarterly traffic
(fall 1982—fall 1984)



Note: **Percent change is from the same quarter in prior year.**
Source: ***CREST Household Report*****, CREST NPD Research, Inc.**

Fall Quarter Highlights

- **Customer traffic:** Up 0.4 percent
- **Sales:** Increased 5.8 percent
- **Visit frequency:** Advanced 0.9 percent
- **Average check size:** Up 5.3 percent
- **Restaurant types:**

Quick service customer traffic: Increased 1.4 percent
Upscale customer traffic: Advanced 0.9 percent
Midscale customer traffic: Dropped 1.9 percent

- **Meal periods:**

Breakfast customer traffic: Up 6.5 percent
Dinner customer traffic: Increased 3.0 percent
Lunch customer traffic: Down 2.6 percent

Customer traffic advances for ninth consecutive quarter . . .

Customer traffic at the nation's restaurants was up for the ninth consecutive quarter during the September-October-November period, according to CREST's *Household Report*. However, this recent quarter's advance of only 0.4 percent was considerably lower than the 2.4 percent rise posted during the summer period. It was also well below the advances reported in the spring and winter quarters—7.5 percent and 6.2 percent, respectively.

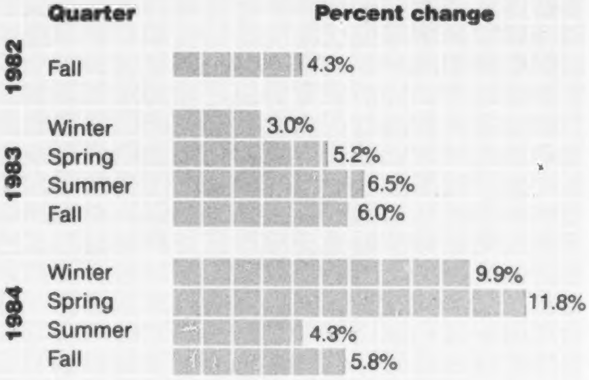
The slowing rate of increase in customer counts can be attributed to moderate economic growth and a more cautious consumer. Although the economy continued to expand, it grew at a less rapid pace than earlier in the year. Real GNP, for example, advanced 2.8 percent during the fourth quarter, somewhat above the third quarter's revised 1.6 percent increase but significantly below gains of 10.1 percent and 7.1 percent in the first and second quarters.

Although inflation was up a modest 4.3 percent during the first 11 months of 1984, the consumer became more cautious during the last several months of the year. Reports of rising unemployment and the possibility of a further slowdown in 1985 caused consumers to cut back purchases of goods and services, such as restaurant meals. Retail sales gains slowed, with sales for September, October and November up 8.1 percent over the same three months in 1983. The advance for the summer quarter was a healthier 9.7 percent. In addition, consumers opted to save more of their income. The personal savings rate reached 6.3 percent in the third quarter versus a 5.7 percent rate in the second quarter.

The unemployment rate was up during the fall quarter as well. It leveled off at 7.4 percent in September and October, but dipped to 7.2 percent in November due largely to additional hiring for the Christmas season. However, this is still higher than the 7.1 percent jobless rate posted in June.

Despite the moderating growth, the National Restaurant Association forecasts that restaurant sales will post relatively strong gains in 1985. Real eating place sales, adjusted for inflation, are expected to advance 3.7 percent. Moderate inflation and rising consumer incomes contribute to this positive outlook.

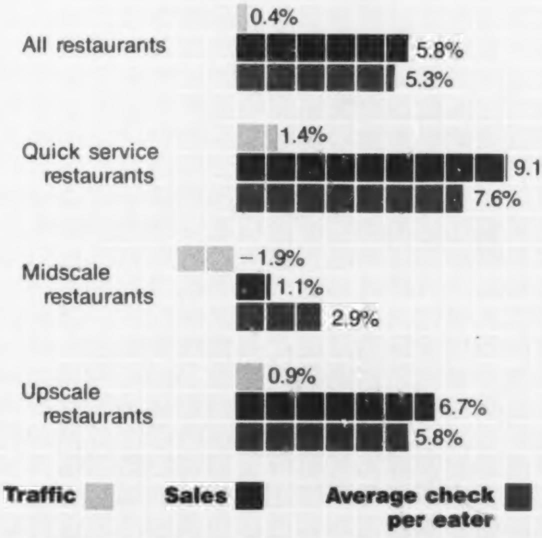
Percent change in quarterly CREST sales*
(fall 1982—fall 1984)



*Sales based on total U.S. average for two-week period each quarter.

Note: Percent change is from the same quarter in prior year.
Source: *CREST Household Report*, CREST NPD Research, Inc.

Fall quarter performance by restaurant segment



Note: Percent change from the same quarter in prior year.
Source: *CREST Household Report*, CREST NPD Research, Inc.

Households dine out more often . . .

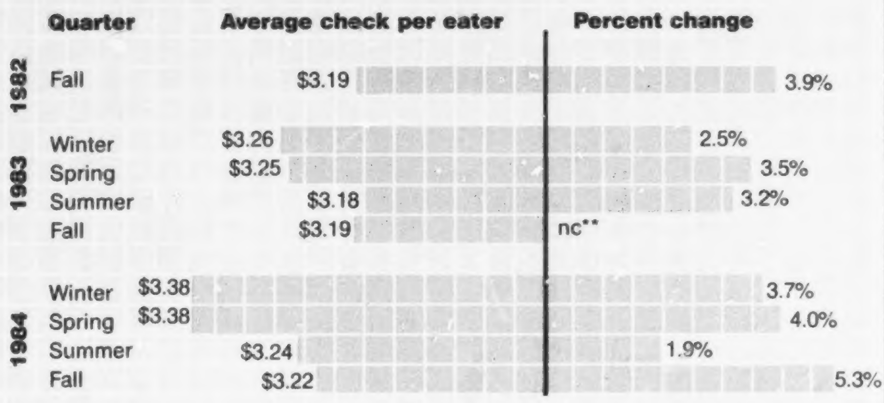
The average number of times families and singles visited restaurants—visit frequency—rose a modest 0.9 percent during the fall quarter. This compares with a more substantial 2.6 percent increase in the summer period and a 2.2 percent advance in the spring quarter. Approximately 78 percent of all households dined out at least once in the fall quarter—down 1.6 percent from the same quarter a year ago.

An analysis of visit frequency by industry segments—quick-service, midscale and upscale—shows that quick-service restaurants experienced the largest gain—1.8 percent. Upscale restaurants also posted a positive increase in visit frequency—1.4 percent. Midscale establishments, however, recorded a slight decline in visit frequency—0.2 percent. This would seem to indicate that patrons are continuing to trade up and trade down, depending on their economic well-being. However, all three restaurant types experienced decreases in penetration—the actual number of households dining out at least once in the two-week period.

Restaurant sales advance 5.8 percent . . .

CREST sales continued to post moderate gains and advanced 5.8 percent during the September-October-November period. This is slightly higher than the 4.3 percent advance in the summer quarter but well below the 11.8 and 9.9 percent gains posted in the spring and winter quarters, respectively.

The average expenditure for a restaurant meal or snack—per person check size—rose 5.3 percent during the fall, the largest advance in more than two



Percent change in per person check*
(fall 1982—fall 1984)

*Based on average for two-week period
**No change

Note: Percent change is from the same period in prior year.
Source: *CREST Household Report*, CREST NPD Research, Inc.

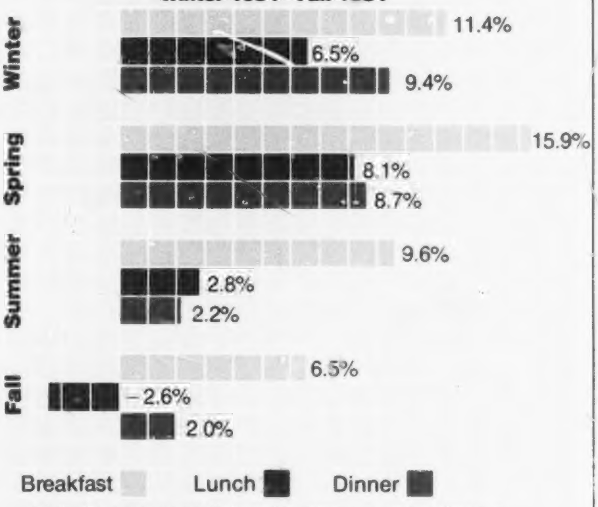
years. This compares with an increase of 1.9 percent posted during the summer quarter and the 4.0 percent and 3.7 percent gains registered during the spring and winter periods, respectively.

The 5.3 percent increase in average check size is higher than the 4.0 percent gain recorded by the Consumer Price Index (CPI) for food-away-from-home during September, October and November. One reason for this is that growth in customer counts for dinner, the most expensive meal period, outpaced the overall growth in traffic. As a result, average check amounts have gone up. Also, patrons may have been ordering more items and more expensive items.

Breakfast and dinner traffic increased . . .

Traffic rose in two of the three major meal periods in the fall quarter. Breakfast traffic showed the largest gain—up 6.5 percent from one year earlier. Dinner traffic posted a somewhat lower 3.0 percent advance, while lunch traffic declined 2.6 percent.

Customer traffic by meal occasion
Winter 1984—Fall 1984



Note: Percent change is from the same quarter in prior year.
Source: *CREST Household Report*, CREST NPD Research, Inc.

Nonetheless, the increase in breakfast traffic is smaller than in the summer and spring periods, when breakfast registered gains of 9.6 percent and 15.9 percent, respectively. The growth in dinner traffic is somewhat higher than the summer quarter's 2.2 percent gain, but it is substantially below the 8.7 percent advance recorded in the spring quarter. The decline in customer counts during the lunch period may be the result of the increase in unemployment.

Breakfast highlights:
- Breakfast sales climbed a hefty 10.1 percent.
- The per person check averaged $2.26—a 3.2 percent advance.
- The average number of times households ate breakfast out rose 0.9 percent; however, penetration was down 1.3 percent.

Lunch highlights:
- Lunch sales increased a slight 2.4 percent.
- The average check increased 5.1 percent to $3.11.
- Visit frequency dipped 1.2 percent and penetration declined two percent.

Dinner highlights:
- Dinner sales rose 7.0 percent.
- The average check totaled $4.52—up 3.9 percent from a year earlier.

What is CREST?

Launched in September 1975, the CREST (Consumer Reports on Eating Share Trends) survey is designed to track expenditures and behavior in the commercial segment of the foodservice industry, including information by type and classification of restaurant and also by meal or snack period.

Approximately 10,000 families and 2,800 non-family households, representing demographic patterns in the U.S., have been selected to participate in the study. Each household is asked to record every meal and snack experience during a particular two-week period for each of the four quarters of the year. Detailed entries are required for meals eaten or purchased away from home in establishments, such as restaurants, hotels and motels, fast food drive-ins, delicatessens, refreshment stands, carryouts, coffee shops, donut shops, ice cream shops or eating places inside variety stores or other retail stores. The diary does not include any meals eaten at schools, hospitals, colleges or other institutional feeding places.

CREST information can help restaurateurs compare their operation's performance with that of the total industry as well as with specific restaurant categories (quick service, midscale or upscale restaurants).

The CREST study can also provide valuable information concerning customer behavior, such as how much people spend, where they spend and when they spend. And, because it is an ongoing study, CREST information allows comparison against a standard—an aid in the development of trend analysis.

Readers wishing more information on the CREST study should contact GDR/CREST Enterprises, one of the NPD group of marketing and research companies, 1300 W. Higgins Rd., Park Ridge, IL 60068-5798.

- Visit frequency advanced 3.9 percent, which helped to boost traffic. However, penetration was down 2.1 percent.

Traffic rises at quick service and upscale restaurants . . .

Quick service restaurants posted the strongest traffic gain this fall—up 1.4 percent over a year earlier. Upscale restaurants recorded a somewhat lower 0.9 percent increase. Midscale restaurants, for the second consecutive quarter, experienced a drop in customer counts, declining 1.9 percent in the fall period.

Ethnic restaurants continued to steal the show, posting especially strong traffic advances in the quick service and upscale segments. Upscale hotel restaurants also performed well in the fall quarter. On the other hand, traffic counts at fish and seafood restaurants in all three major segments dropped.

Quick service highlights:
- Sales rose 9.1 percent in the quick service segment.
- The number of occasions on which deals were used fell a slight 1.5 percent.
- Quick service ethnic restaurants experienced the largest increase in traffic—up an impressive 28.0 percent. Both Oriental and Mexican restaurants posted substantial gains.
- Customer counts at quick service specialty establishments increased 5.8 percent during the fall quarter.
- Sandwich/varied menu restaurants experienced a drop of 1.1 percent in customer traffic. Declines in traffic at hamburger and other sandwich establishments contributed to this decrease.

Upscale restaurant highlights:
- Upscale restaurant sales increased 6.7 percent in the fall quarter. A higher average per person check along with slightly higher traffic helped boost sales.
- The number of occasions on which promotions were used fell a hefty 7.4 percent.
- Traffic at upscale speciality restaurants was down 16.2 percent during the fall period. Large decreases in customer counts at fish and steak establishments contributed to this decline.
- Upscale ethnic restaurants showed a 3.9 percent increase in traffic. Mexican restaurants experienced the largest gain in this category.
- Upscale hotel restaurants posted the greatest increase in traffic—a substantial 14.4 percent advance.

Midscale restaurant highlights:
- Sales at midscale restaurants increased a slight 1.1 percent. A decline in customer traffic, a moderately higher average check size and a decline in visit frequency are behind this small gain.
- Promotional usage declined 8.9 percent in the fall quarter. This compares with a drop of 3.7 percent during the summer period.
- All sectors of the midscale restaurant segment reported decreases in customer counts. Midscale hotel/retail restaurants experienced the smallest decline in customer traffic—0.5 percent.
- Traffic at family-style midscale restaurants decreased a slight 1.0 percent. A drop in traffic at varied menu restaurants accounted for this decline.
- The midscale specialty restaurant category suffered the largest drop in customer counts—down 7.0 percent. Declines in traffic at barbecue, fish/seafood, family steak and sandwich restaurants contributed to the decline.

—Susan Adelman

What you eat may depend on where you are

The variety of restaurants across the country varies from region to region. One area may have a concentration of seafood restaurants, while another favors Oriental establishments.

To give restaurant operators a clearer view of the restaurant distribution across the country, this article presents the highlights of the third annual RE-COUNT study, produced by Restaurant Consulting Group, Inc. Forty-seven restaurant types in each of the nine census regions and

Number and proportion of restaurant types across the U.S.

Restaurant type	Number of units	Proportion of total
Pizza	31,053	10.3%
Hamburger	26,585	8.8
Ice cream	18,104	6.0
Oriental	12,487	4.1
Family style	12,324	4.1
Mexican	11,851	3.9
Cafe	11,284	3.7
Chicken	10,879	3.6
Fish/seafood	8,531	2.8
Steak	7,751	2.5
Barbecue	5,228	1.7
Donut	4,771	1.6
Italian	4,096	1.4
Deli/bagel	4,076	1.3
Other sandwich	3,983	1.3
Sub	3,766	1.2
Coffee shop	3,584	1.2
Refreshment/snack	3,210	1.1
Cafeteria	2,624	0.9
Hot dog	2,526	0.8
Other specialty[1]	2,475	0.8
Grill	2,388	0.8
Other ethnic[2]	2,344	0.8
Diner	2,336	0.8
Luncheonette	2,303	0.7
Roast beef	2,150	0.7
Pancake/waffle	1,873	0.6
Upscale	1,751	0.6
French	1,285	0.4
Truck stop	763	0.3
Unclassified	94,456	31.2
Total	**302,837**	**100.0%**

[1] Includes: crepe, natural/vegetarian, yogurt, potato, pretzel, soup, chili, biscuit and fondue restaurants.

[2] Includes: German, Spanish, Greek, Indian and soul food.

Source: RE-COUNT

the total United States are featured.* Unit counts are based on spring 1984 data.

The information illustrates the existing competition and consumer preferences in various parts of the country as well as opportunities for expansion.

Highlights . . .

- Pizza restaurants account for the largest share of establishments across the country—10.3 percent. Hamburger restaurants follow with a smaller 8.8 percent share. However, hamburger units outnumber all other establishments, including pizza, in six out of nine census regions.
- Pizza restaurants are more prevalent in three regions—New England, Middle Atlantic and East North Central. Almost half the nation's pizza units are located in these three areas.
- Two-thirds of the country's Mexican restaurants are located in the southwestern U.S. The Pacific region, however, includes approximately one-third of total Mexican establishments.
- Oriental restaurants are clustered on the East and West coasts. The Middle Atlantic and Pacific regions account for almost half the nation's Oriental establishments.
- Southerners love chicken and barbecue—almost half the country's chicken restaurants and approximately seven out of 10 barbecue units are located in the South.
- Almost one out of every five ice cream restaurants is in the East North Central region. In the New England and Middle Atlantic regions, there are more ice cream shops than hamburger restaurants.
- More than a quarter of the nation's seafood restaurants are clustered in the South Atlantic region.

Pizza captures largest market slice . . .

According to the RE-COUNT study, pizza establishments outnumber all other restaurant types in the U.S. As of spring 1984, there were 16.8 percent more pizza restaurants than hamburger units—the second largest restaurant category. In 1984, pizza units comprised a whopping 10.3 percent of the restaurants across the country, up from 9.9 percent one year earlier. In comparison, hamburger outlets accounted for a smaller 8.8 percent of the market in 1984, only slightly above the 8.7 percent reported in 1983.

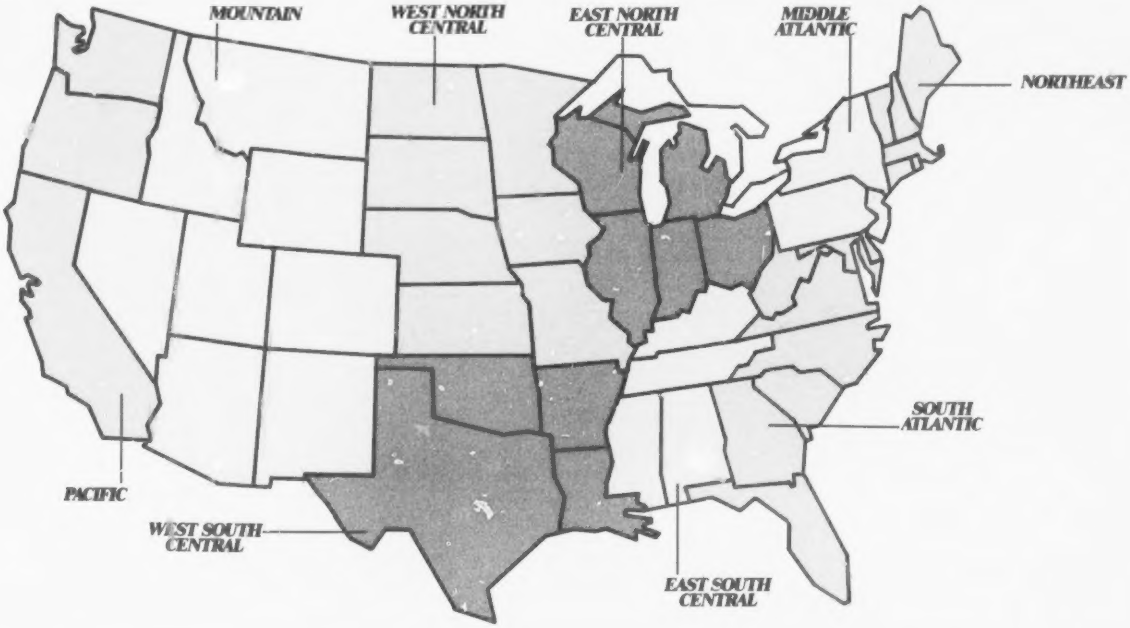
Ice cream restaurants captured the number three spot, accounting for six percent of total establishments. Oriental and family style restaurants follow—each comprises 4.1 percent of the nation's restaurants. Mexican and chicken establishments make up, respectively, 3.9 percent and 3.6 percent of the restaurants across the country. Altogether, pizza, hamburger, ice cream, Oriental, family style, Mexican and chicken restaurants account for more than four out of 10 restaurants in the U.S.

Due to regional preferences and population variations, the proportions of these and other categories vary in different areas of the country.

Regional highlights . . .

New England

- Pizza restaurants make up the largest concentration of restaurants—13.4 percent.
- New England has the smallest porportion of ham-



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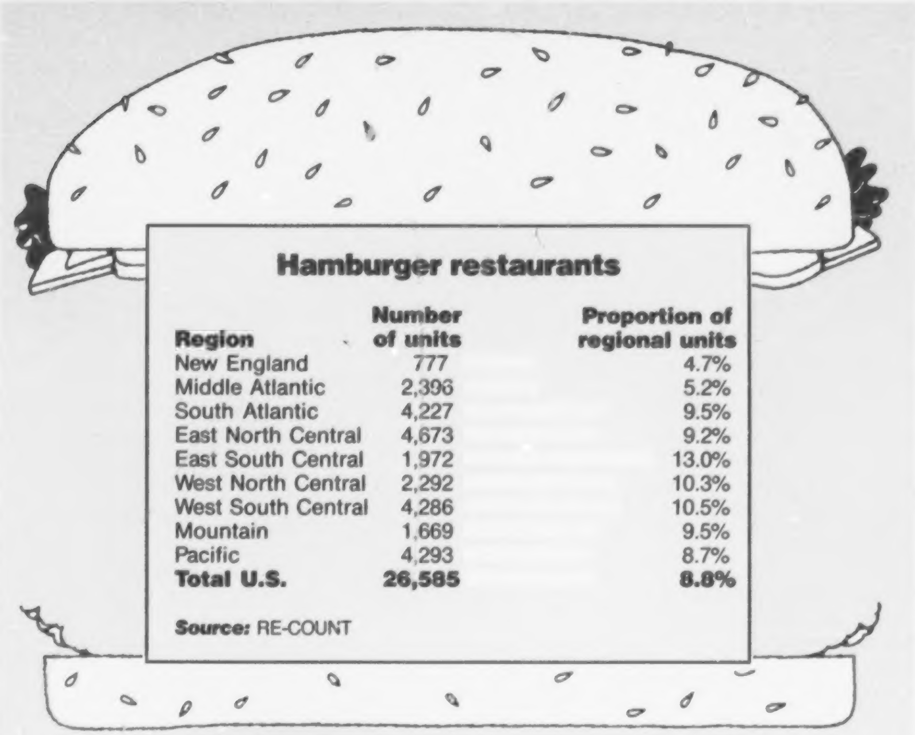
* *The RE-COUNT study was compiled by Restaurant Consulting Group, Inc., from a variety of sources, including government information, credit reporting services and white and yellow page phone directories. Restaurant Consulting Group estimates the RE-COUNT study covers between 80 and 83 percent of the total restaurant market as of spring 1984 but notes that the proportions of restaurant types across the U.S. should be accurate.*

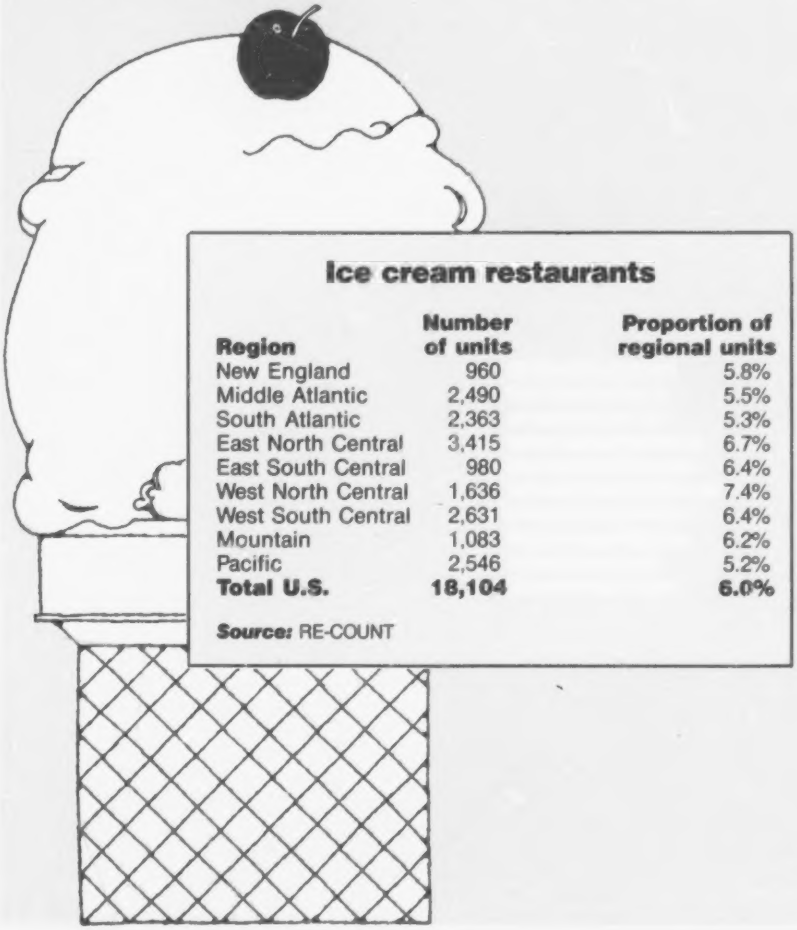
NRA's restaurant count differs somewhat from the RE-COUNT study due to variations in classification. Difficulties in accurately identifying restaurants across the country account for the large proportion of unclassified units. This is the third year of the study, however, and the unclassified segment is decreasing as data collection methods improve. ***NRA NEWS*** *reviewed the first RE-COUNT study in the September 1983 issue.*



Hamburger restaurants

Region	Number of units	Proportion of regional units
New England	777	4.7%
Middle Atlantic	2,396	5.2%
South Atlantic	4,227	9.5%
East North Central	4,673	9.2%
East South Central	1,972	13.0%
West North Central	2,292	10.3%
West South Central	4,286	10.5%
Mountain	1,669	9.5%
Pacific	4,293	8.7%
Total U.S.	**26,585**	**8.8%**

Source: RE-COUNT



Ice cream restaurants

Region	Number of units	Proportion of regional units
New England	960	5.8%
Middle Atlantic	2,490	5.5%
South Atlantic	2,363	5.3%
East North Central	3,415	6.7%
East South Central	980	6.4%
West North Central	1,636	7.4%
West South Central	2,631	6.4%
Mountain	1,083	6.2%
Pacific	2,546	5.2%
Total U.S.	**18,104**	**6.0%**

Source: RE-COUNT

burger restaurants in the country—4.7 percent. This is well below the 8.8 percent national average.

- This region has the smallest proportion of chicken restaurants in the nation—1.3 percent.
- The proportion of seafood, family style, donut and sub establishments is above average.
- There are fewer ethnic restaurants than average.

Middle Atlantic

- Pizza restaurants account for the largest proportion of restaurants—13.9 percent—the highest concentration in the nation.
- Hamburger establishments make up a low 5.2 percent of the restaurants.
- There is a small percentage of chicken outlets—1.6 percent.
- The proportion of diners, Oriental restaurants and Italian restaurants is above average.
- There is a below average concentration of seafood, full menu and steak restaurants.

South Atlantic

- Hamburger restaurants are most prevalent, accounting for 9.5 percent of total establishments.
- Pizza restaurants represent the second highest concentration—9.0 percent.
- This region has the highest proportion of seafood restaurants in the country—4.9 percent.
- There is an above average concentration of chicken, barbecue, steak, full menu, pancake/waffle and deli establishments as well as cafeterias.
- There is a low proportion of ethnic restaurants and ice cream shops.

East North Central

- Pizza restaurants capture the largest share of market with 13.3 percent of regional restaurants.
- Hamburger outlets ac-

count for an above average 9.2 percent.

- Ice cream restaurants are the third largest group with 6.7 percent of establishments.
- There is an above average percentage of chicken and full menu restaurants.
- There is a below average proportion of seafood and ethnic restaurants.

East South Central

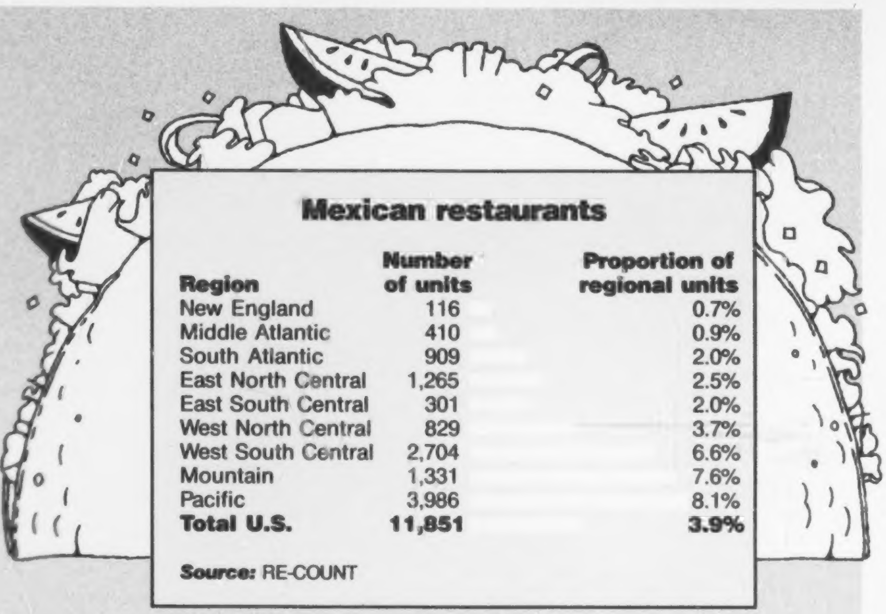
- Hamburger restaurants capture the number one spot with 13.0 percent of regional establishments—the largest concentration of hamburger restaurants in the U.S.
- Pizza outlets account for a below average 8.7 percent of the area's restaurants.
- This region boasts the largest proportion of chicken establishments in the country—6.2 percent.
- The area has the highest concentration of full menu restaurants in the U.S. and an above average proportion of steak, seafood, barbecue and ice cream establishments.
- It has the lowest percentage of ethnic restaurants in the nation.

West North Central

- Hamburger restaurants are most prevalent, representing 10.3 percent of the region's establishments.
- Pizza restaurants account for 9.7 percent of regional outlets.
- The area has the highest proportion of ice cream shops in the country—7.4 percent.
- There is an above average concentration of steak and full menu restaurants.
- The region has the smallest proportion of seafood restaurants in the U.S. and a below average percentage of chicken and ethnic establishments.

West South Central

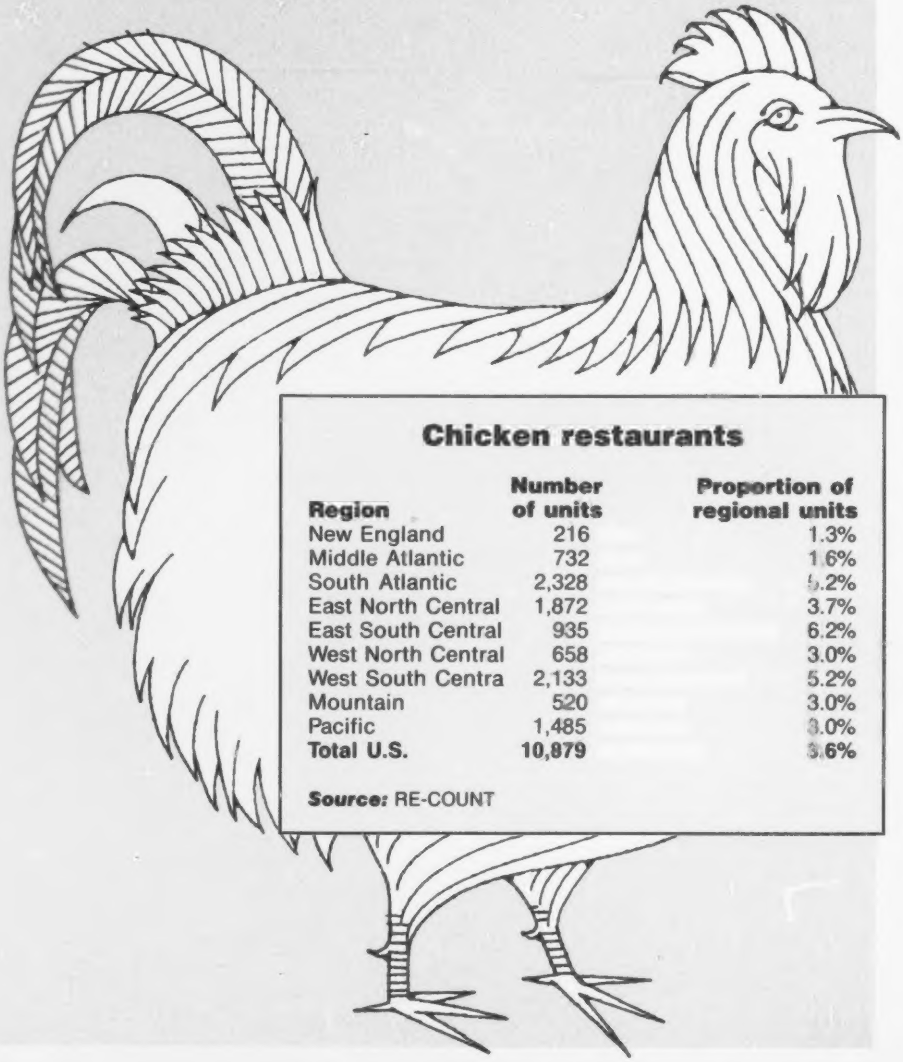
- Hamburger restaurants



Mexican restaurants

Region	Number of units	Proportion of regional units
New England	116	0.7%
Middle Atlantic	410	0.9%
South Atlantic	909	2.0%
East North Central	1,265	2.5%
East South Central	301	2.0%
West North Central	829	3.7%
West South Central	2,704	6.6%
Mountain	1,331	7.6%
Pacific	3,986	8.1%
Total U.S.	**11,851**	**3.9%**

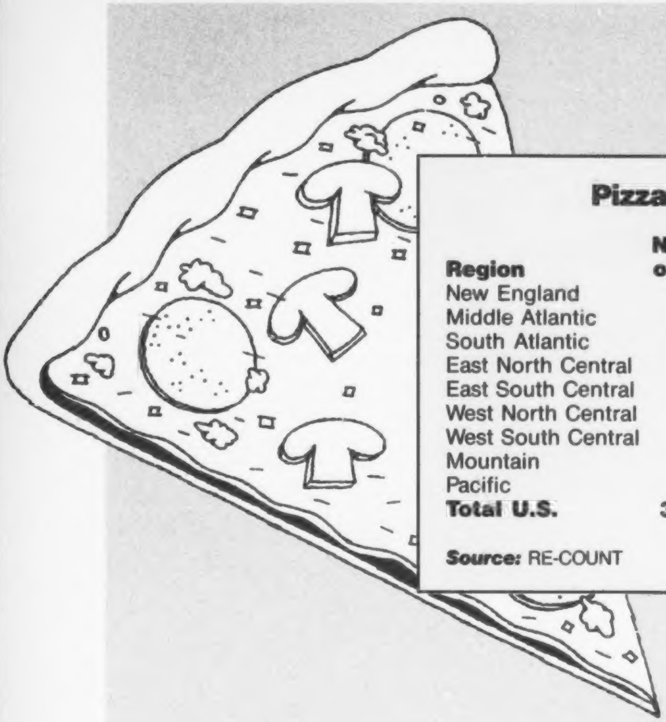
Source: RE-COUNT



Chicken restaurants

Region	Number of units	Proportion of regional units
New England	216	1.3%
Middle Atlantic	732	1.6%
South Atlantic	2,328	5.2%
East North Central	1,872	3.7%
East South Central	935	6.2%
West North Central	658	3.0%
West South Centra	2,133	5.2%
Mountain	520	3.0%
Pacific	1,485	3.0%
Total U.S.	**10,879**	**3.6%**

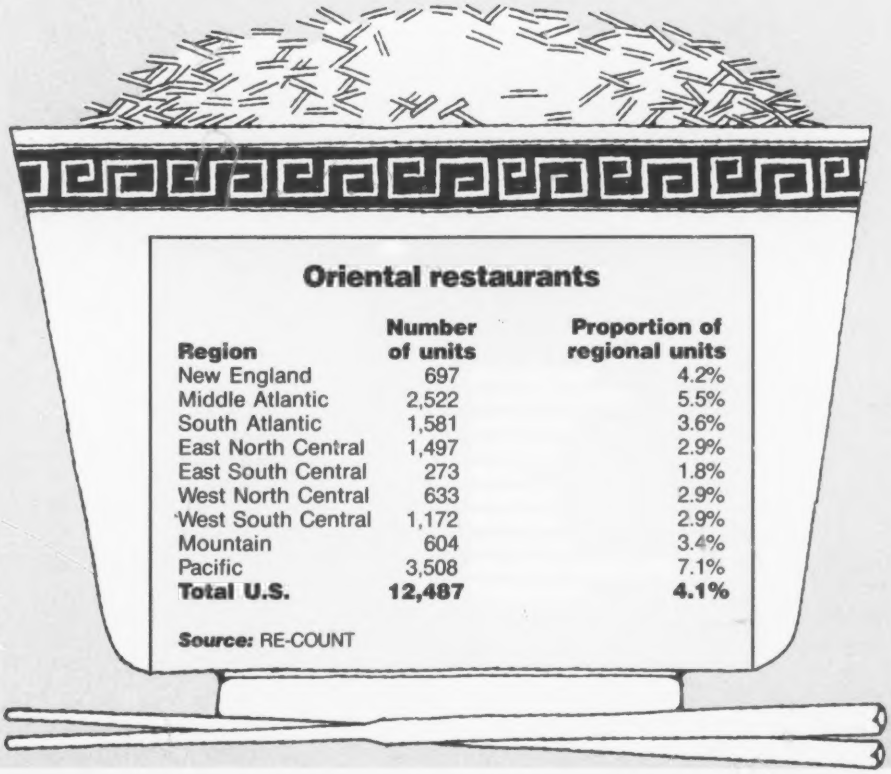
Source: RE-COUNT



Pizza restaurants

Region	Number of units	Proportion of regional units
New England	2,213	13.4%
Middle Atlantic	6,334	13.9%
South Atlantic	4,003	9.0%
East North Central	6,797	13.3%
East South Central	1,319	8.7%
West North Central	2,157	9.7%
West South Central	2,710	6.6%
Mountain	1,640	9.3%
Pacific	3,880	7.9%
Total U.S.	**31,053**	**10.3%**

Source: RE-COUNT



Oriental restaurants

Region	Number of units	Proportion of regional units
New England	697	4.2%
Middle Atlantic	2,522	5.5%
South Atlantic	1,581	3.6%
East North Central	1,497	2.9%
East South Central	273	1.8%
West North Central	633	2.9%
West South Central	1,172	2.9%
Mountain	604	3.4%
Pacific	3,508	7.1%
Total U.S.	**12,487**	**4.1%**

Source: RE-COUNT

account for the majority of establishments—10.5 percent.

- Pizza and Mexican restaurants are tied for the number two spot—each makes up 6.6 percent of the area's establishments. This is the smallest proportion of pizza restaurants in the nation.
- The area has the largest concentration of barbecue outlets and cafeterias in the country and an above average proportion of chicken, seafood and ice cream restaurants.
- The region has the lowest percentage of full menu restaurants in the U.S.

Mountain

- The proportion of hamburger (9.5 percent) and pizza establishments (9.3 percent) is fairly even.
- Mexican restaurants account for a large 7.6 percent of the area's establishments.
- The area has an above average concentration of steak, full menu and ice cream restaurants.
- The region has a below average proportion of chicken and seafood restaurants.

Pacific

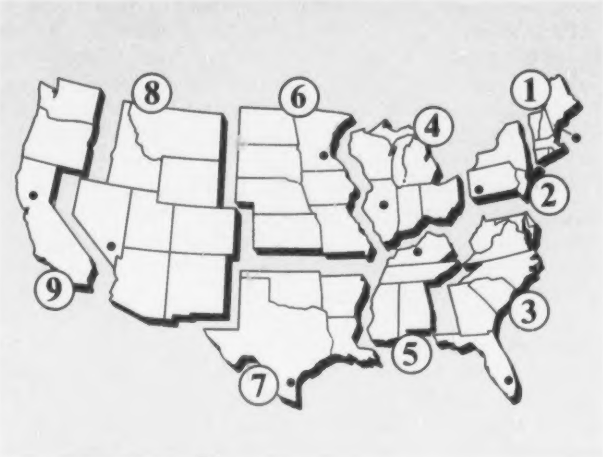
- Hamburger restaurants account for 8.7 percent of the area's establishments.
- Mexican restaurants (8.1 percent) outnumber pizza establishments (7.9 percent).
- The area has the highest concentration of Oriental restaurants in the country—7.1 percent.
- The region has the largest percentage of delis in the nation—2.2 percent—and an above average proportion of Italian, French and full menu establishments.
- The area has a below average proportion of cafeterias, chicken, seafood, steak and ice cream restaurants.

—Cecelia Niepold

How's business?

by Cecelia Niepold

This month's interviews are an example of the diversity of catering operations across the country. For instance, some caterers serve a particular industry, such as the airlines, while others focus on complete party planning for a variety of customers. Menu specialties can also differ, ranging from customized lobster bakes to trays of hors d'oeuvres.



1
NORTHEAST

Location: South Portland, ME
NRA member: Ted Smith
Operation: International Caterers Incorporated
Profile: Off-premise caterer
In business: 12 years

Business has been going exceptionally well, says **Ted Smith,** owner of International Caterers, Incorporated. Overall sales during 1984 were up about 30 percent. The business climate in the Portland area is very good—numerous Defense Department contracts have given the local economy a boost.

Smith's catering services run the gamut from cocktail parties to airline meals, but his specialty is lobster bakes. He has catered lobster bakes around the country and will even ship "do it yourself" lobster bake packages to customers. Kits include everything from pots to cook the lobsters in to clams and corn on the cob. Smith also offers shipping services for other products, such as frozen lobster tails.

To broaden his business, Smith may purchase an ocean front inn. He believes the inn will offer a charming, personalized atmosphere for business meetings as well as outdoor weddings and parties.

2
MIDDLE ATLANTIC

Location: Pittsburgh, PA
NRA member: Charles Schwartz
Operation: Charles Catering & Gourmet Delicatessen
Profile: Off-premise catering and two delis
In business: 19 years

Business is up a little bit over last year, says **Charles Schwartz,** owner of Charles Catering & Gourmet Delicatessen. The general economy in the Pittsburgh area is "OK," but the steel industry is still not doing too well.

Schwartz's business started as strictly catering, but he saw a need for a service that would allow people to take out items for smaller parties. Consequently, he has developed a deli operation that offers hors d'oeuvres and party trays as well as soups and sandwiches. Business has taken off, and he has opened a second deli.

Interestingly, Schwartz's business has benefited from the slowdown in the economy. Companies or individuals who want a quality, but somewhat scaled down, party often opt to hold catered functions at home or in the office rather than patronize a more expensive establishment.

3
SOUTH ATLANTIC

Location: West Palm Beach, FL
NRA member: G. Pendergast
Operation: Jerry's Caterers, Inc.
Profile: Airline catering business, serving 13 airports in Florida, one in Georgia
In business: 42 years

"We are enjoying a good year," says **Kim Townsend,** vice president of Jerry's Caterers—a company that specializes in airline catering, serves restaurants and commissaries in airports and coordinates newsstands and gift shops in various terminals.

Business for Jerry's Caterers is up for two reasons. First, airline deregulation has boosted customer traffic, and, second, an increasing number of airlines is finding it more profitable to contract out their foodservice operations.

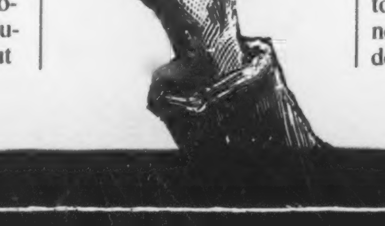
According to Townsend, airline catering differs from most catering operations. For instance, airline caterers are never quite sure how many people they'll be serving—they always have to prepare for a full airplane. The company also responds to requests for special kosher or dietetic meals and attempts to keep pace with trends, such as consumer interest in nutrition.

4
EAST NORTH CENTRAL

Location: Springfield, IL
NRA member: Court Conn
Operation: Conn's Catering
Profile: Off-premise caterer
In business: 37 years

Business doubled during the Christmas season, compared with the year before, and 1985 is shaping up very well, says **Court Conn,** owner of Conn's Catering. The general economy in the area has been very good. Springfield, the state capital, didn't feel the recession as much as some other areas in the state.

Conn prides himself on the diversity of catering projects his company takes on. He believes it can be detrimental to focus exclusively on any one specific area. Consequently, he can provide anything from soda and hot dogs for 5,000 to hors d'oeuvres and dinner for a small, elegant outdoor wedding.



5

EAST SOUTH CENTRAL

Location: Lexington, KY
NRA member: Michael Wolken
Operation: Turf Catering Company
Profile: Company services restaurants and concessions at several race tracks and also operates off-premise catering
In business: 49 years

Business in the area is very good, says **Michael Wolken,** vice president of the Turf Catering Company—a small family-owned business. The Lexington area is experiencing strong growth, and Wolken's business is up six to seven percent over a year ago.

The company's major focus is providing foodservice for restaurants and concessions at several racetracks. Because the racetracks close during the summer, the company began catering during these off-season months.

Wolken specializes in overcoming catering challenges. For instance, the company is known for coordinating parties in locations that lack normal eating and drinking facilities. For example, guests at the annual Egyptian Arabian horse show at the Kentucky Horse Park (where there is no running water) are served under large tents.

6

WEST NORTH CENTRAL

Location: St. Paul, MN
NRA member: Harry S. Given, Jr.
Operation: Prom Catering Company, Inc.
Profile: Off-premise caterer
In business: 30 years

"Business is growing in the Twin Cities. There's a lot of activity in the area," says **Harry Given,** owner of the Prom Catering Company, Inc. More new cultural facilities and the remodeling of the civic center have led to increased business for his company. Sales are already substantially ahead of last year.

Given has developed his business into the largest catering firm in Minnesota. How? By providing the right kind of equipment to serve food the right way, says Given. For instance, the area's cold climate makes it difficult to keep food warm, and he has several mobile kitchens to ensure the food is served at proper temperatures.

Given also believes it is important to cater to changing food preferences. For example, he has noticed that customers enjoy unusual hors d'oeuvres. So, he has developed some interesting appetizer selections, such as individual wild rice quiches and small portions of yakatori (chicken breasts marinated in saki and soy sauce and charcoal broiled).

7

WEST SOUTH CENTRAL

Location: Alice, TX
NRA member: Ren Reid
Operation: The Queen Bee Eating Place and Catering Service
Profile: Off-premise catering and fullservice restaurant
In business: 5 years

"Business is fantastic and gets better every year," says **Ren Reid,** owner of The Queen Bee Eating Place and Catering Service. The local economy, however, is not doing very well. Business is depressed due to the drop off in the oil business.

Reid credits his good business to the extra services his company provides. "We do much more than just deliver, serve, pick up and leave. We are complete party planners," he explains proudly. Jobs are individually tailored for each customer. Reid will coordinate the whole event and even take care of details, such as flowers, photographs and decorations.

Reid believes an off-premise caterer puts his reputation on the line every time he takes a job. "You're only as good as your last job," he explains. One way he ensures good service is by preparing 10 to 15 percent more food than he has contracted to serve. "The cost of serving more food is much less than the embarrassment of being caught short," he maintains.

8

MOUNTAIN

Location: North Las Vegas, NV
NRA member: R.A. Keller
Operation: Golden West Catering
Profile: Wholesale sandwich business
In business: 7 years

The economy in the Las Vegas area is not very good, and unemployment is high, says **R. A. Keller,** owner of Golden West Catering—a company that provides pre-wrapped, wholesale sandwiches. Even so, Keller's business is going well. He attributes his success to branching out. When Keller first started his business, he only supplied sandwiches to local bars. Then he noticed that the bar business was slowing, and he decided to also work with mobile caterers and vendors. It was a timely decision.

Keller started his business with only four kinds of sandwiches. Now he offers 60 different combinations and a variety of hot dogs. The sandwiches are "the biggest in the area" and are made fresh every day on 10 different kinds of bread. One of Keller's favorites is his own creation—a French dip sandwich which comes packaged with its own cup of natural gravy.

9

PACIFIC

Location: Folsom, CA
NRA member: Renee Lefever
Operation: Balcony Restaurant and Gourmet Catering
Profile: Restaurant and catering operation
In business: 2 years

Business is on an upward trend, says **Renee Lefever,** co-owner of the Balcony Restaurant and Gourmet Catering. Although Folsom is a small, old-fashioned town located about 22 miles north of Sacramento, new software companies are locating in the area and are boosting the local economy.

The Balcony Restaurant follows the town's quaint 1900's theme. Located upstairs in an old building, the 70-seat restaurant includes a balcony that overlooks the town. Much of Lefever's catering business comes from restaurant customers who are charmed by the establishment's intimate atmosphere. The restaurant is only open for lunch, which enables Lefever to use the facilities for catering functions at night.

Lefever prides herself on taking jobs that other people are reluctant to tackle. For instance, a recent challenge was to cater a vegetarian wedding. Another was putting together a last minute international buffet, using cold entrees.

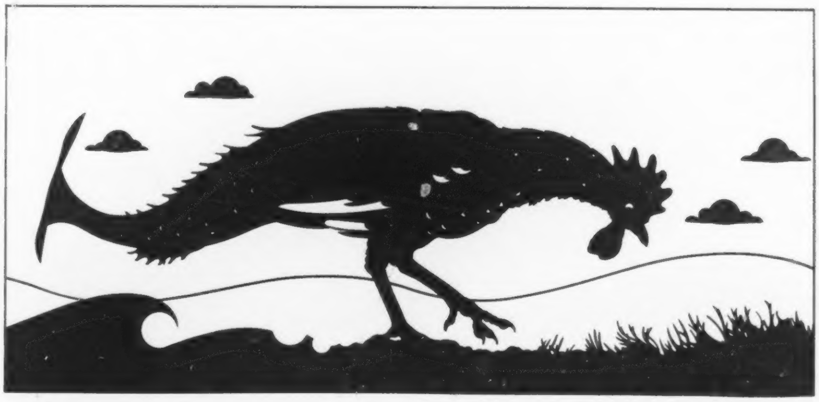
FOOD FOR THOUGHT

Fishy chicken

If your customers think there is something fishy about your chicken, they may be right. Researchers at the University of Maryland report that if more than 10 percent of a chicken's food intake is fish meal, the fishy taste may be transferred to the meat.

Dr. James L. Heath, the scientist in charge of the study sets the figure even lower. He says that four to five percent is a safer bet for commercial broilers.

—Washington Times



Training chefs your own way

Following the lead of such nationally-known foodservice organizations as the Marriott Corporation and McDonald's, an increasing number of small, privately owned restaurant companies are taking to training their own chefs.

"We're better off training our own chefs than sending them elsewhere," says Stuart Long, owner of a string of restaurants and upscale American pubs in Washington, DC. Chefs employed by the Capitol Hill Management Corporation (CHMC), Long's company, attend weekly classes that are taught by the company's premier chef. The classes are held year-round and culminate in a graduation. As a result, chefs at CHMC's restaurants do things CHMC's way.

"We used to send our chefs to a local school, but all they learned there was French sauces," says Long. "We don't do that many sauces at our restaurants. It makes sense to train our chefs our own way."

—Washington Times

Conveyor belt dining

"People today are looking for high quality food—in a hurry," says William Liederman, explaining the concept behind Dine-O-Mat, the restaurant he and partner Michael Bradshaw recently opened in New York City. Food at Dine-O-Mat is served from a conveyor belt, which enables customers to get in and out and still have minutes to spare on their lunch hour.

"What we shave on time, we don't shave on quality," emphasizes Liederman. Crayfish jambalaya salad, Denver ribs grilled with honey mustard or Pennsylvania Dutch crumb pie are just some of the delicacies that are rolled out daily. And although this dining-on-the-run concept is definitely a trend of the 1980s, the restaurant's art deco decor has all the vintage charm of the 1930s.

—NRA News interview

Rain checks for drinks

The Marriott in Grand Rapids, MI, recently came up with a new concept to replace two-for-one drink offers. Customers receive a token for a second drink of equal value redeemable at any other time or on any other day in the restaurant or lounge.

"Not only does the promotion encourage repeat business," says general manager Robert Goldbach, "but it discourages customers from drinking too much, just to get their money's worth." Goldbach says customer reaction to the promotion has been tremendous.

—NRA News interview

Inflight wine sales soar

Wine labels are getting increased attention from the major airlines as more inflight passengers bypass hard liquor in favor of wine.

Airlines are hiring outside consultants to recommend wines, picking dining managers with expertise in wine or even using employees for taste tests to improve their wine menus.

"Airlines are paying more attention because the country is more wine-conscious," says Mike Clark, spokesman for Pan American World Airways, which holds wine tastings in first-class aboard some international flights. At Eastern Airlines, wine consumption is up 20 percent in the past year. "Wines have to be acceptable to a broad range of American tastes—not too dry, not too sweet," says Wolfgang Diehl, director of dining services for Eastern. And, he adds, wines cannot be too delicate to be stored in pressurized cabins. A light chablis is usually acceptable, he says.

—USA Today

Available from NRA publications

FOODSERVICE MANAGEMENT KNOW-HOW

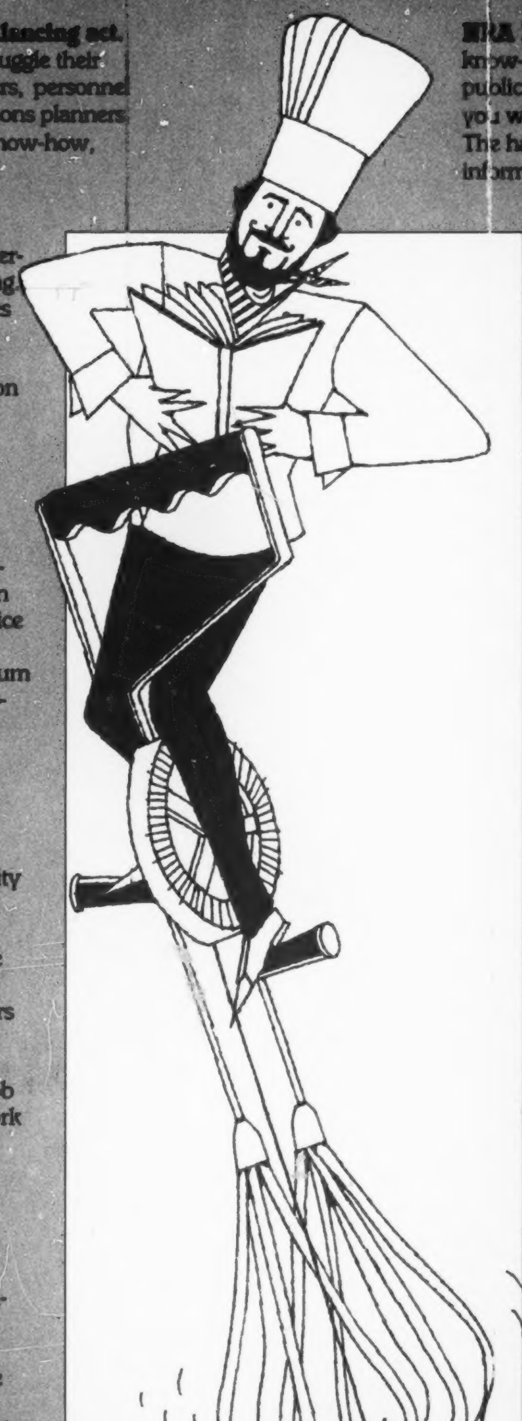
Foodservice management is a balancing act. Successful managers continuously juggle their expertise as menu specialists, lawyers, personnel experts, purchasing agents, promotions planners and more. When they need more know-how, they know where to get it.

Accuracy in menus
Be sure that your customers are ordering what they think they are ordering. This newly-revised booklet describes how to represent quality, quantity, price, brand names and product points of origin. If you are working on a new menu or are revising an old one, this publication is a must.
PB030, booklet, $2.00

The Legal Problem Solver for Foodservice Operators
The Legal Problem Solver is an easy-to-use reference tool for the hands-on operator and the corporate foodservice lawyer alike. It gives you the latest information on tip reporting, minimum wage laws, record keeping, tax problems and much more. Most importantly, it keeps the law on your side.
MG410, 3-ring binder, $14.50

Stress Management for the Hospitality Manager
Estimates indicate that the hospitality manager is called upon to make an operational decision every 48 seconds. These decisions can cause stress. After reading this book, you will be able to examine stress factors and better cope with its roots and symptoms. You will learn how to become more productive at your job by controlling stress. Both your work and leisure environments will become more enjoyable.
MG455, soft-cover book, $10.00

Uniform Systems of Accounts for Restaurants
This NRA bestseller presents a complete, easy-to-use record keeping system for foodservice operations. Filled with examples, from balance sheets to salary and wage control reports, this book was prepared with the accounting needs of the small restaurant operation in mind.
MG936, soft-cover book, $14.95



NRA Publications When you need management know-how specific to the foodservice industry, NRA publications have it. Each NRA publication provides you with relevant, current foodservice information. The hands-on approach enables you to put the information you learn to work immediately.

Responding to Unionization Efforts
If you are non-union and concerned about unionization activities in your operation, this booklet is for you. It will brief you on your rights as an employer and list actions you should and should not take to resist unionization.
MG420, booklet, $5.00

Profitable Purchasing
This edited transcript from NRA's Second Annual National Conference on Purchasing brings you up to date with the dynamics of purchasing in the foodservice industry. It is a newsletter, checklist and manual all in one. Top purchasing agents from operations of all sizes describe their programs—from purchasing specifications to an in-depth look at the commodities market.
MG571, soft-cover book, $11.00

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To order NRA How-To publications, complete the order form between pages 40 and 41 of this issue.

National Restaurant Association

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ETHNIC FAST FOOD

The Golden Egg?

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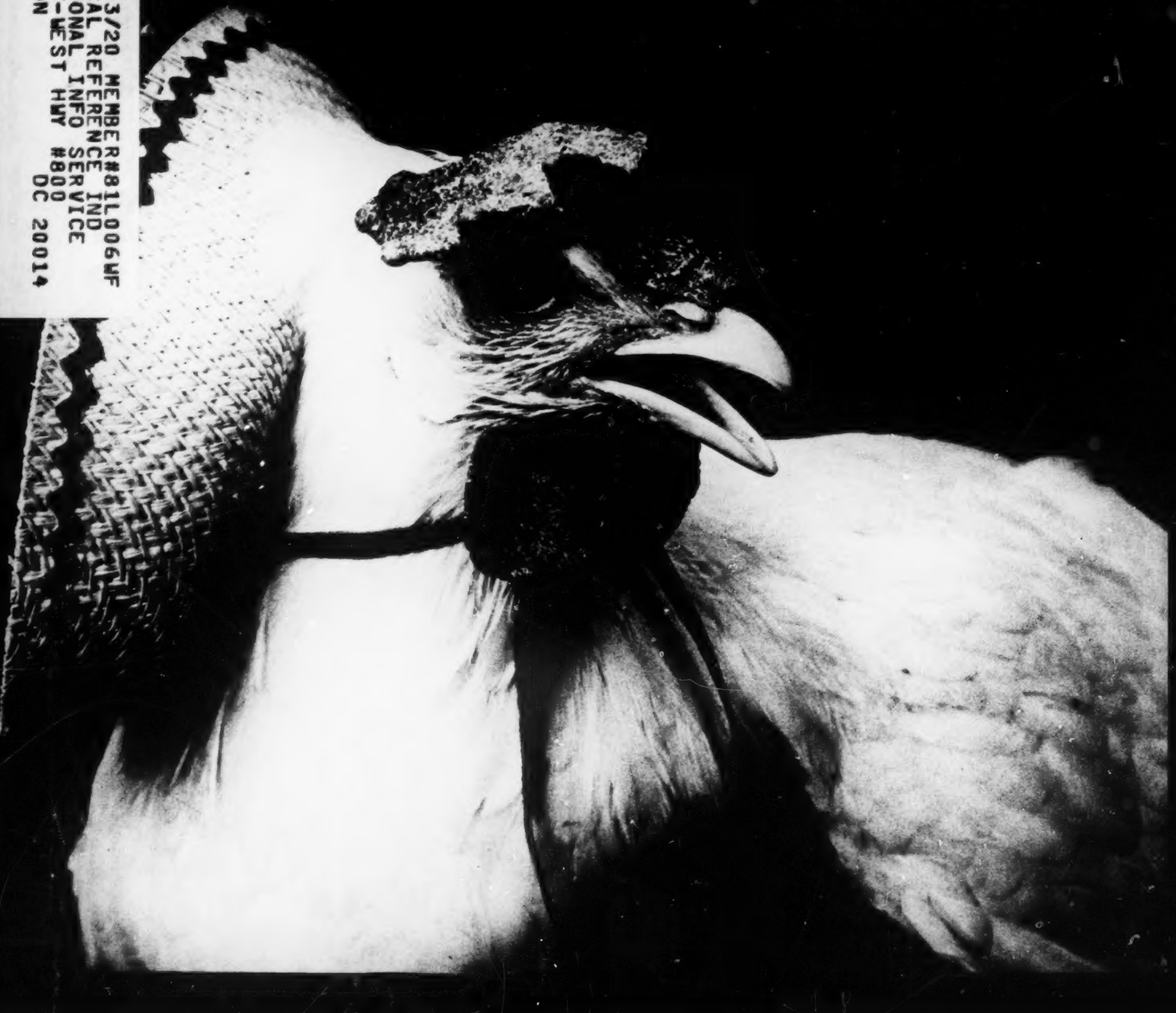

NRA MEETINGS

Seminars

Basic Foodservice Courses

Basic Supervision in Foodservice

4/9	Wilmington, DE
6/11	Orlando, FL
6/26	Seattle, WA

Computers in Foodservice: A Primer

4/23	Denver, CO
5/18	Chicago, IL (NRA Show)
6/3	Boston, MA
6/25	Minneapolis, MN

Dining Room Management

4/16	Albany, NY
4/18	Meadowlands, NJ
4/22	Savannah, GA
4/24	Pompano Beach, FL
5/7	Greensboro, NC
5/14	Halifax, Nova Scotia, Canada
5/19	Chicago, IL (NRA Show)
6/17	Annapolis, MD
6/19	Jackson, MS

Increasing Foodservice Productivity

4/19	Portland, OR
4/22	Kansas City, MO
5/18	Chicago, IL (NRA Show)

Kitchen Management

4/4	Manchester, NH
4/9	Atlanta, GA
4/10	Houston, TX
4/14	Bismarck, ND
4/16	Detroit, MI
5/9	St. Louis, MO
5/19	Chicago, IL (NRA Show)
6/10	Orlando, FL
6/19	Hartford, CT

Opening a Restaurant: Before You Start Cooking . . .

5/19	Chicago, IL (NRA Show)
6/3	Lexington, KY
6/26	Grand Rapids, MI

People-Power and Profits

4/10	Cleveland, OH
5/29	Williamsburg, VA

Tools for Training

4/16	Richmond, VA
4/18	Milwaukee, WI
5/9	Omaha, NE

Please note that registration fees have been reduced for the Basic Foodservice Courses.

Food Production Courses

American Regional Cookery

4/23	Minneapolis, MN
4/25	Denver, CO
5/7	Portland, OR
5/9	Seattle, WA

The Pantry: Prep for Profit

4/17	Milwaukee, WI
6/11	Orlando, FL

Perfecting Your Culinary Skills

4/2	St. Louis, MO
6/5	Hyannis, MA

Simplified Baking Workshop

6/6	Detroit, MI

Soups and Sauces

6/10	Orlando, FL
6/12	Columbia, SC

Foodservice Management Courses

Computers in Foodservice: Advanced

4/24	Denver, CO
5/19	Chicago, IL (NRA Show)
6/4	Boston, MA
6/26	Minneapolis, MN

Creative Merchandising Techniques

4/16	Boston, MA
5/18	Chicago, IL (NRA Show)
6/24	Cincinnati, OH

Food Cost Management

4/9	Lancaster, PA
4/11	Portland, ME
4/30	Tulsa, OK
5/2	Little Rock, AR
6/25	Madison, WI
6/27	Billings, MT

Location! Location! Location! How to Successfully Negotiate and Finance Your New Operation

5/18–19	Chicago, IL (NRA Show)

Menu Development

4/17	Philadelphia, PA
4/23	Charlotte, NC
5/18	Chicago, IL (NRA Show)
6/19	Norfolk, VA

Motivation

5/19	Chicago, IL (NRA Show)

Off-Premise Catering

4/29–30	Columbus, OH
5/6–7	San Francisco, CA
6/3–4	Portland, OR
6/24–25	Denver, CO

Operational Analysis

5/1–2	Boston, MA
5/18–19	Chicago, IL (NRA Show)
6/5–6	Los Angeles, CA

Planning & Implementing Restaurant Marketing Strategy

4/16–17	Baltimore, MD
5/18–19	Chicago, IL (NRA Show)
6/10–11	Orlando, FL

Restaurant Design & Facilities Planning

5/18–19	Chicago, IL (NRA Show)

For more information, contact:
NRA Education Programs
311 First Street, N.W.
Washington, DC 20001
800-424-5156 or
(202) 638-6100

Study Group Meetings

Market Research

April 10–12	Washington, DC

Financial Officers

April 10–12	Palm Springs

Tax Executives

April 10–12	Palm Springs

EDP

April 16–19	San Diego

Internal Audit

April 30–May 5	Lake Tahoe

Foodservice Purchasing Managers

May 15–17	Chicago

MAECO

May 15–17	Chicago

Marketing Executives

May 15–17	Chicago

For more information on specific study groups, contact Phillip Kralovec, (312) 853-2525.

NRA NEWS
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Michelle Rabayda
Claire Regan
Shannon Tuel
Editorial Typists
Valerie Pines
Riley Stern

Editorial offices
and NRA headquarters
311 First Street, N.W.
Washington, DC 20001
(202) 638-6100

Chicago offices
One Park Place, Suite 2000
Chicago, IL 60601
(312) 853-2525

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PRESIDENT'S REPORT

Harris O. Machus
President and Owner
Harris O. Machus
Enterprises, Inc.
Birmingham, Michigan

Letters protest deduction limit

President Reagan has been receiving a lot of mail from restaurateurs lately. These letters have expressed opposition to the proposal, included in the Treasury Department's Tax Reform plan, to limit the deduction on business meals.

You are NRA's best lobbyists. When you speak out as influential members of the electorate, our political leaders listen. If you have not yet done so, write the President today expressing your opposition to the "capping" of the business meal deduction.

NRA calls for TJTC extension

The tax reform plan also includes the elimination of the Targeted Jobs Tax Credit (TJTC). TJTC allows employers to take a tax credit for a portion of the wages paid to members of nine specified categories of handicapped or economically disadvantaged people. NRA is actively combatting the elimination of this worthwhile program.

Long before any tax reform bill would go into effect, however, the current authorization for TJTC will expire. Representative Charles Rangel (D-NY) has introduced a measure which would extend that authorization for five years, and NRA has testified in favor of this bill.

Many foodservice companies utilize TJTC, and many more would do so if the program were extended for five years or made permanent. Extension of this program is one of NRA's top priorities.

NRA supports limited sulfite ban

Following reports of yet another death due to sulfites consumed in a restaurant, several states have introduced legislation which would ban these substances or require sulfite labeling in foodservice establishments.

In Washington DC, Senator Albert Gore (D-TN) introduced the Sulfite Safety Act, which would forbid the use of sulfites on fresh fruits and vegetables at both the distributor and retail level. Representative Ron Wyden (D-OR) introduced an identical bill in the House. Unless the Food and Drug Administration (FDA) acts quickly to impose its own ban, it is likely this bill will become law.

At a press conference on Capitol Hill, NRA endorsed the Gore-Wyden bill. A targeted and limited ban, which includes distributors and is imposed at the federal level, is the only practical means of protecting our sulfite sensitive customers and, at the same time, eliminating any need for contradictory measures currently cropping up at the state level.

Restaurateurs support *Operation: Prom/Graduation*

Each NRA "key member" will shortly receive an information packet on Operation: Prom/Graduation. Participation in this program is a public service, which will draw new customers to your establishment.

Operation: Prom/Graduation is a national campaign, sponsored by NRA, the National Association of Broadcasters, and three other trade associations. It is aimed at reducing drunk driving among teenagers during the prom and graduation season. Its primary vehicle is a pledge card, signed by students and honored with discounts by restaurateurs, tuxedo and car rentals, florists and other retailers.

By offering discounts on special prom-related dinners and suppers for pledge card holders, you will make your restaurant the scene of safe celebrations for graduates and their families. You will also demonstrate once more that restaurateurs are helping to prevent drunk driving.

I urge you to review the Operation: Prom/Graduation information packet carefully and decide how your establishment will participate.

NRA promotes holiday sales

Just before St. Patrick's Day, NRA released a radio actuality. What is a radio actuality? It is a taped news story distributed to radio stations by satellite.

This particular actuality reported that 20 percent of all Americans dine out on St. Paddy's Day. It then described the types of food and festivities which these people would find at their neighborhood restaurants on this particular holiday.

This kind of publicity should help build volume in your restaurant. NRA plans to release many more holiday-related actualities. Keep listening to your radio, and don't forget to plan those holiday specials.

List of national conferences released

NRA's education programs department has just published the schedule of national conferences to be held in 1985-86. This list is impressive.

- *Promotions & Marketing*
  August, Chicago, IL
- *Wine Workshop*
  September, Napa Calley, CA
- *Off-Premise Catering*
  November, Las Vegas, NV
- *Independent Operators*
  February, Orlando, FL
- *Computers*
  March, Washington, DC

NRA's national conferences draw leading foodservice operators and well-known experts together for three days of idea exchange. These events have proven very popular. For further information about any of these conferences, call NRA's education programs department at (800) 424-5156.

During the past month, 182 members joined NRA. I welcome you to the most prestigious foodservice trade association in the world. Your participation in NRA will make your business grow and make the association more effective in its endeavors on your behalf. We're glad to have you with us.

Sincerely,

Harris

Harris O. Machus
President & Chairman of the Board

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Cover Story: Franchise Restaurants

In 1983, franchise restaurant sales reached $38.7 billion. Despite this impressive accomplishment, operators are not resting on their laurels. They are experimenting with new menu offerings, new locations and new concepts. Many of these innovations are ethnic and regional specialties, using such familiar fast food fare as chicken with a new twist.

12 Fast food goes ethnic.

16 Menu innovations: more options for fast food customers. Don't miss the sidebar on new locations for fast food restaurants and the interview with Tom Feltenstein on franchising success.

21 There are management changes afoot at some fast food chains.

22 Franchising can be a means for expansion. But first evaluate your chances for success.

Related Departments: *Foodservice Trends, Food for Thought*

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Photography: Mark Borchelt
Chicken: Courtesy of Rachell Worrell, Ferry Landing Farm, Dunkirk, MD

SHORT ORDERS

NRA members help African famine victims

When John and Jim Rousso, the owners of Rousso's Restaurant in Mobile, AL, decided to help the American Red Cross with its African Famine Relief Fund Campaign, they donated one day's receipts to the cause. Then, to attract diners, they brought in singing waiters and dressed the waitresses in Red Cross aprons. The result was a rousing success. When a check was handed to the Mobile Red Cross for the fund drive, the Roussos said it was their way of thanking the Red Cross for helping to rebuild the restaurant after it was destroyed by a hurricane in 1978.

Like the Roussos, restaurateurs across the country are helping the Red Cross raise $70 million to provide food and medical supplies for people in 14 stricken African nations. Targeted for assistance are children, pregnant women, nursing mothers and the elderly.

In New Orleans, LA, a fundraising festival was held in January aboard the *Riverboat President*. All the food for the festival was donated and served by local restaurants and hotels. Beer, wine and soft drinks were provided free by local beverage companies and the use of the riverboat was given without charge by its owners.

More than 50 restaurants in Seattle, WA, joined the African appeal by taking collections during New Year's Eve festivities. In Beverly Hills, CA, more than 235 persons attended a party for Red Cross relief at the Bistangos restaurant. They dined from a menu specially prepared by manager Henri La Badie. At $75 per person, participants had a chance to rub elbows with such celebrities as Peter Falk, Maude Adams, Joe Bologna, Sammy Davis, Jr., Lola Falano, Mr. "T", Ann Blythe and Brenda Vacarro. Covering the event were television's *Entertainment Tonight* and *People Magazine*.

The Red Cross also reported that the New York Restaurant Association presented a check for $1,000. In addition, the association sent out a mailing to its membership urging their individual support.

American Red Cross President Richard F. Schubert has high praise for the cooperation of NRA members. "Through their contributions to this cause they are setting a splendid example for the public and other enterprises in the private sector," he states.

Restaurateurs can promote National Tourism Week

If you are looking for a novel promotion that will set your operation apart at the beginning of the busy summer season, consider joining the American Hotel & Motel Association's (AHMA) radio call-in contest promoting National Tourism Week, May 19–26, 1985.

The contest, to be aired on one station in each of the top 100 radio markets during the last two weeks of May, features the "U.S. Trivia Trip," a nationally-distributed question and answer game. The game features historical and cultural points of interest as well as economic impact questions that reinforce the theme of National Tourism Week—"Tourism Works for America."

If you are interested in participating, contact your local hotel and motel association or call Betsy Bromberg at AHMA headquarters, 888 Seventh Ave., New York, NY 10019, (212) 265-4506. The deadline for participating is April 8, 1985.

The promotion is expected to occur in the following states and cities.

- *Alabama*
    - Birmingham
    - Huntsville
    - Mobile
- *Alaska*
    - Anchorage
- *Arizona*
    - Phoenix
    - Tucson
- *Arkansas*
    - Little Rock
- *California*
    - Fresno
    - Los Angeles
    - Sacramento
    - San Diego
    - San Francisco
- *Colorado*
    - Denver
- *Connecticut*
    - Hartford
- *Delaware*
    - Wilmington
- *District of Columbia*
- *Florida*
    - Jacksonville
    - Miami
    - Orlando
    - Tampa-St. Petersburg
    - West Palm Beach
- *Georgia*
    - Atlanta
- *Hawaii*
- *Idaho*
    - Boise
- *Illinois*
    - Chicago
    - Peoria
    - Rock Island
    - Springfield
- *Indiana*
    - Evansville
    - Fort Wayne
    - Indianapolis
    - South Bend
- *Iowa*
    - Cedar Rapids
    - Des Moines
- *Kansas*
    - Wichita
- *Kentucky*
    - Lexington
    - Louisville
- *Louisiana*
    - Baton Rouge
    - New Orleans
    - Shreveport
- *Maine*
    - Portland
- *Maryland*
    - Baltimore
- *Massachusetts*
    - Boston
    - Springfield
- *Michigan*
    - Detroit
    - Flint
    - Grand Rapids
- *Minnesota*
    - Minneapolis-St. Paul
- *Mississippi*
    - Jackson
- *Missouri*
    - Kansas City
    - Springfield
    - St. Louis
- *Montana*
    - Billings
    - Great Fails
- *Nebraska*
    - Lincoln
    - Omaha
- *Nevada*
    - Las Vegas
    - Reno
- *New Mexico*
    - Albuquerque
- *New Hampshire*
    - Concord
    - Manchester
- *New Jersey*
    - Atlantic City
    - Trenton
- *New York*
    - Albany-Schenectady
    - Buffalo
    - Johnson City
    - New York
    - Rochester
    - Syracuse
- *North Carolina*
    - Charlotte
    - Greenville
    - Raleigh-Durham
- *North Dakota*
    - Fargo
- *Ohio*
    - Cincinnati
    - Cleveland
    - Columbus
    - Dayton
    - Toledo
    - Youngstown
- *Oklahoma*
    - Oklahoma City
    - Tulsa
- *Oregon*
    - Portland
- *Pennsylvania*
    - Harrisburg
    - Johnstown
    - Philadelphia
    - Pittsburgh
    - Scranton
- *Rhode Island*
    - Providence
- *South Carolina*
    - Columbia
    - Greensboro
- *South Dakota*
    - Sioux Falls
- *Tennessee*
    - Chattanooga
    - Knoxville
    - Memphis
    - Nashville
- *Texas*
    - Austin
    - Dallas-Ft. Worth
    - El Paso
    - Houston
    - San Antonio
- *Utah*
    - Salt Lake City
- *Vermont*
    - Burlington
- *Virginia*
    - Norfolk
    - Richmond
- *Washington*
    - Seattle
    - Spokane
- *Wisconsin*
    - Milwaukee
    - Green Bay
- *West Virginia*
    - Charleston
- *Wyoming*
    - Casper

WASHINGTON REPORT

Bills to watch in Congress

Bills to reduce the deductibility of business meals, protect small business from bureaucratic abuse and extend the targeted jobs tax credit have been introduced in Congress.

Attack on the business meal . . .

Sen. Gary Hart (D-CO) has once again offered a bill to reduce by 30 percent the deductibility of business entertainment meal expenses.

The bill, S. 308, would establish a National School Lunch Trust fund with the revenue saved by the 30-percent cut. The bill would also restore both the 20-cent reduced-price school meal and the school lunch eligibility levels of 1981.

Hart's bill, identical to one he introduced in the last Congress, is opposed by NRA.

Small business protection . . .

Sen. Dale Bumpers (D-AR) introduced an omnibus bill, S. 396, that would protect small business from bureaucratic abuse.

Reauthorization of the Equal Access to Justice Act (EAJA) is one provision of the bill. Vetoed by the President last year, EAJA would enable a small business to recover its costs after a successful challenge to the federal bureaucracy in court.

Also included in the bill are provisions that would institute regulatory reform, reduce paperwork and provide tax incentives for capital formation.

NRA supports Sen. Bumpers's legislation.

TJTC extension . . .

A bill to extend the targeted jobs tax credit (TJTC) for five years has been introduced by Rep. Charles Rangel (D-NY). Unless extended, TJTC will expire at the end of 1985.

TJTC is used extensively by foodservice operators in hiring the economically disadvantaged and the handicapped. The credit allows tax deductions for employers who hire workers who are members of nine targeted groups.

The credit can amount to as much as half the wages paid to each worker for the first year of employment and one-quarter of the wages for the second year.

Rangel's bill, H.R. 983, would increase the credit maximum from the current $3,000 to $5,000 for the first year and from $1,500 to $2,500 for the second year.

NRA supports extension of TJTC.

NRA to oppose FUTA increases

Acting on the recommendation of its labor issues study group, NRA will seek repeal of FUTA tax increases on tip income scheduled to begin next year.

A provision in the 1984 tax act requires restaurateurs to pay FUTA on all reported tip income, beginning Jan. 1, 1986. Current law requires that federal unemployment taxes (FUTA) be paid only on those tips used to meet minimum wage obligations.

Requiring FUTA taxes on wages plus tips would place an unfair burden on the industry, the study group said. Generally, the foodservice industry pays more into federal and state unemployment compensation trust funds than is withdrawn by unemployed foodservice workers.

In testimony before the House Ways and Means Committee last year, NRA noted that the increased FUTA burden will not translate into increased benefits for unemployed restaurant workers. Federal unemployment tax dollars go toward administrative costs of the unemployment insurance system rather than to benefit payments.

NRA said the increased tax burden will have to be met through raising menu prices, which would hurt small restaurants.

Labor issues to take back burner in the 99th Congress

Tax and budget considerations will overshadow labor issues in the 99th Congress, according to Jim Stephens, majority counsel to the Senate Committee on Labor and Human Resources, who spoke to an NRA labor study group earlier this year. Stephens said it was doubtful there would be any movement on controversial legislation in this Congress because so many Republican senators will be up for reelection in 1986.

According to Stephens, an increase in the minimum wage is not imminent unless it is accompanied by the institution of a youth subminimum wage.

Immigration reform likely

There are indications from Capitol Hill that an immigration reform measure, probably a modified version of last year's ill-fated Simpson-Mazzoli bill, will receive serious consideration in the 99th Congress and may be enacted within the next two years.

In the last Congress, NRA opposed the employer sanctions provision in Simpson-Mazzoli, particularly new verification and record-keeping requirements. NRA supported an amendment offered by U.S. Rep. Tom Kindness (R-OH), which would have removed these burdensome employer record-keeping requirements from the bill.

Simpson-Mazzoli passed without a fight in the Senate, but it encountered strong opposition in the House where it barely passed after days of contentious debate. The bill then

WE’RE COUNTING ON ***YOUR OPINION***

NRA’s monthly membership poll tracks your views on important national issues affecting the foodservice industry.

Your reponses to these questions will help NRA represent the industry in Washington.

Question 1: Abolish SBA?

For more than 30 years the Small Business Administration (SBA) has provided management assistance as well as direct and guaranteed loans to America’s entrepreneurs. Now the Reagan administration, as part of a cost-saving effort, wants to dismantle SBA. As a result, the agency’s loan programs would be terminated. Other agency services, such as advocacy, minority assistance and procurement, would be absorbed by the U.S. Department of Commerce. The Treasury Department would take over responsibility for liquidating SBA’s loan portfolio. SBA’s assets would be sold to the public.

Organizations that traditionally represent small business interests, including the National Federation of Independent Business (NFIB), are working to preserve the agency. On Capitol Hill, both Sen. Lowell Weicker (R-CT) and Rep. Parren Mitchell (D-MD), chairmen of the Senate and House Small Business Committees, are against the administration’s proposal.

➡**Pros**—Most small businesses get along fine without SBA assistance. SBA loans go to only a handful of borrowers, more than half of whom are repeat customers. These recipients are too uncreditworthy to get regular bank loans or venture capital. The direct loans’ high default rate is a drain on the Treasury. The best way for government to help small business is not to provide subsidies but to continue efforts to stabilize financial markets, reduce inflation and interest rates and eliminate burdensome regulations.

➡**Cons**—Abolishing SBA would throw out the good with the bad. The answer is to get rid of the programs that aren’t cost-effective, revamp those that are salvageable and retain those that are working. The financial benefits claimed by the administration in terminating SBA loans are grossly overstated. SBA’s loan portfolio would fetch no more than 19 cents per dollar on the open market. If SBA were allowed to continue to service its outstanding loans, the government could expect to recover much more than it would save by selling the portfolio. One estimate puts at $3.8 billion the net loss that would result from killing the agency.

Should the SBA’s loan programs be terminated and its other programs merged into the Commerce Department?

Question 2: Comparable Worth?

As women’s rights groups seek to end what they consider continued discrimination against female employees, the issue of equal pay for jobs of comparable worth receives widespread attention. The argument for comparable worth is based on the premise that wage compensation is less for “female-dominated” jobs, such as nursing, elementary school teaching and domestic service, than for “male-dominated” jobs, such as engineering, plumbing and janitorial service—not because the “male” jobs require more skill or experience but because the “female” jobs are dominated by women. Despite career gains in recent years, studies show that the women working year-round at full-time jobs earn only 62 percent of what the average man makes.

To ensure pay equity, comparable worth advocates say that all jobs should be evaluated on the basis of the skill and experience needed to perform them as well as their importance to employers. The wage scale set for each job would reflect its “value” as determined by the evaluation. Thus the salary of nurses, for example, may be raised to the same level as engineers as a result of these evaluations.

➡**Pros**—The institution of comparable worth laws would close the wage gap and eliminate discriminatory forces in a labor market that undervalues the true worth of jobs performed predominantly by women. Employees would be compensated based on the true value of their work, and they would have more flexibility in the labor market. Men would no longer be discouraged from entering female-dominated fields, and women would feel freer to move into traditionally male jobs.

➡**Cons**—The wage gap is not due to discrimination. Less work experience and schooling and more work interruptions for women are all factors contributing to the wage gap. Raising the wage for female-dominated jobs on the basis of a subjective evaluation disregards market forces of supply and demand as well as institutes costly government control over the labor market. Existing laws designed to eliminate unfairness in hiring and promotion practices along with ensuring equal pay for equal work are the best ways to deal with discrimination.

Should the concept of comparable worth be adopted as law?

Please respond to the above questions, using the attached postage-paid card.

languished in a House-Senate conference committee and died at the end of the session.

The first of what certainly will be many immigration bills was introduced on the first day of the session by Rep. Edward R. Roybal (D-CA).

Roybal's bill, H.R. 30, would penalize employers who knowingly hire illegal aliens but would not include verification or paperwork requirements. The bill would institute a mandatory graduated civil fine (starting at $1,000) for violations according to the size of the business and the gravity of the offense.

Sen. Alan Simpson (R-WY) is expected to reintroduce his reform bill in the Senate soon. Rep. Romano Mazzoli (D-KY) hasn't indicated whether he will again lead the fight for immigration reform on the House side.

—Michelle Rabayda

Results for January opinion poll

Results of our January Opinion Poll are now in. The January issue of *NRA NEWS* asked, "Should the tip credit be raised to compensate for higher payroll taxes?" and "If FDA were to make labeling mandatory, would you use sulfites in your restaurant?"

Most of the respondents (55 percent) believe the tip credit should be raised to offset higher payroll taxes. Thirty-nine percent did not think the tip credit should be raised, and seven percent had no opinion.

Almost three-quarters (74 percent) of the respondents said they would not use sulfites if labeling were required. Twenty-one percent said they would use sulfites. Five percent had no opinion.

Eighty-four percent of the January respondents said they operate a tableservice or limited-menu establishment. Eleven percent operate a cafeteria.

Based on information provided, our January sample represented 3,062 units, employing 78,185 people.

How Reagan budget cuts would affect foodservice

Rumors that the administration would propose broad, sweeping reductions in federal spending were confirmed last month when the President released his FY 1986 budget.

Even with cuts approximating $50 billion, Reagan would spend close to a trillion dollars next year, with a deficit of $180 billion. No new taxes are proposed, but nearly every federal program, with the exception of defense and Social Security, would be scaled back.

Reaction to the budget on Capitol Hill has been generally negative. How far legislators will go toward adopting the proposal is uncertain.

Abolishing SBA . . .

If the President's budget were enacted, the Small Business Administration (SBA) would be eliminated, with parts of the agency absorbed by the Commerce Department.

All of SBA's credit programs would be terminated. Outstanding direct loans would be transferred to the Treasury Department, while guaranteed loans would continue to be managed by the banks that issued them. Defaulted guaranteed loans would be turned over to the Treasury.

Most of the agency's other programs, such as advocacy, minority assistance, procurement, etc., would go to the Commerce Department to become part of a new agency, the Administration for Enterprise Development and Opportunity.

Statistics show that foodservice is the largest recipient of SBA loans. In 1984, for example, 10.5 percent of SBA lending went to restaurants and bars. A total of 1,906 loans were made to foodservice last year, with a value of $343,626,000.

Congress will probably not let SBA die. Both Sen. Lowell Weicker (R-CT) and U.S. Rep. Parren Mitchell (D-MD), chairmen of the Senate and House Small Business Committees, are against the idea.

NRA is studying a proposal by Sen. Weicker to streamline the agency and eliminate the direct loan program, which has a history of high default rates.

Changes in farm support programs . . .

Deep cuts in farm subsidies are included in the President's budget. Of particular interest to food service is a proposal to phase out dairy price support payments, which currently cost the government about $2 billion a year. The administration would also cap other commodity support payments, reduce their target prices and shift direct farm loans to guaranteed loans.

It is doubtful Congress will accept the deep cuts in agriculture programs the President has proposed. (See Jeffords interview in this issue.)

User fees for meat inspection . . .

The President has also proposed industry user fees to pay for the federal inspection of meat and poultry. Meat and poultry plants would be required to bear the $320 million annual cost.

For nearly 40 years the U.S. Department of Agriculture has borne these costs. In fact, Congress rejected user fees in 1948 on the principle that wholesomeness and purity of meat would be best maintained by having inspectors paid by the federal government rather than by those whose product they were inspecting.

But the administration notes that many agriculture services are now provided on a fee basis and that there is no reason to provide this special benefit to the meat industry at the taxpayer's expense.

Eliminating the USTTA . . .

The administration also has proposed a zero budget for the U.S. Travel and Tourism Administration (USTTA), the agency charged with promoting the U.S. as a tourist destination for foreign travelers.

Congressional champions of USTTA will most likely succeed in obtaining some spending authority for the agency. Already a bill has been introduced by Sen. Daniel Inouye (D-HI) to give the agency a three-year authorization, starting with $14.5 million in FY 1986.

—Jay Morris
Michelle Rabayda

NRA NEWS talks with James Jeffords

U.S. Rep. James Jeffords (R-VT) serves on two committees where issues affecting foodservice are apt to be addressed. He is the ranking minority member on the House Education and Labor Committee and also the ranking minority member on the House Agriculture Subcommittee on Livestock, Dairy and Poultry. NRA NEWS spoke to Jeffords at the beginning of the new Congress.

NRA NEWS: **What are some of the issues you'll be looking at this year in the Labor Committee?**

Jeffords: We'll spend some time looking at those proposed budget cuts that affect our programs. Many political issues will be raised, and we may see action on some of them as the 1986 elections approach. But I think it's safe to say that most of these things will never see the light of day in the Senate.

Getting away from politics, though, there is growing consensus that we should be moving toward a national pension policy to take the burden off Social Security, which is becoming more of a pension program rather than a supplement.

Congressman Clay (D-MO) and I are looking at legislation to address this problem, and I expect there will be hearings later this year. As I look at the demographic patterns for the next century, I'm concerned about how to handle our expanding senior population. We simply can't load the problems of our senior citizens onto our children.

Q: What would be involved in such a pension policy, and what would be the employer's role?

A: We're looking at what it would take to provide every American with an opportunity for a good pension plan and what the government's, employer's and individual's role would be in preparing for retirement. How do you make such a system affordable, and how do you encourage present funding for income that will be available for retirement? These are difficult questions, and we're just now beginning to tackle them.

"There is growing consensus that we should be moving toward a national pension policy."

Q: Do you think minimum wage legislation will be considered this year? How about a youth differential?

A: I'd have to say yes to both questions, but I'd put more emphasis on the latter. Because a considerable length of time has passed since the last wage increase, there will be pressure by Democrats to at least raise the issue. Of course, that could open up the Fair Labor Standards Act and, in turn, bring on the youth differential question. I know the administration would like to see a youth bill and will be pushing for it.

Q: Would a move to lower the minimum wage for teens necessarily trigger an increase in the minimum wage for adults, as many say?

A: I think so. Whichever way you go, you'll have to expect the other one.

Q: How do you feel about these two issues?

A: I'm willing to try a youth wage on an experimental basis to see if it does result in increased employment. In that sense, I will work toward a youth differential. In fact, I'm already pushing for it in our federal job programs because we can employ that many more young people by paying them a lower wage.

As far as increasing the minimum wage, I've always favored pegging increases to average manufacturing wage increases rather than to the cost of living index. That way you don't have as much displacement among our lower income groups.

Q: Last year, when Labor Committee Chairman Gus Hawkins (D-CA) introduced his youth employment incentive bill,* you said you would offer a substitute. Are you prepared to do the same this year if his bill moves?

A: Yes, I would. Again, this gets into the area of political posturing. When you have a program that's working well, like the Job Training Partnership Act (JTPA), it's foolish to start a whole new program. I think JTPA, with some modifications, can take care of the problems the Hawkins bill seeks to address. We can accomplish the same goals as Hawkins by expanding the exemplary youth program; targeting low-income, high youth unemployment areas; and making better use of our summer employment programs.

Q: Do you support extension of the targeted jobs tax credit, which will expire at the end of this year?

A: Yes. Assisting employers in hiring and training people from these targeted groups is an important national goal. It's unrealistic to expect employers to make sacrifices in productivity and profits if you're trying to reach these groups. You have to provide some kind of economic incentive.

Q: Turning to agriculture, will there be a major battle on the farm bill this year between the budget cutters and the farm program supporters?

A: Yes, it will be a tough fight. Things are so bad in places like Iowa and Nebraska, and agriculture is so important to this country, that I don't believe the administration's proposal to cut support programs will go far.

My own philosophy is that there is a role for government to play, which is important for consumers and your members. That role should be to guarantee a small surplus to keep prices down and ensure that we don't have wide fluctuations in prices. But when we have surpluses beyond that amount sufficient to guarantee an adequate food supply, then it's up to the producers to bring down the supply.

That's what we did last year with the dairy diversion program, and that's what we should do with all our farm programs. Dairy farmers who reduced their production were rewarded. Those who didn't reduce production, paid the cost of the diversion program. The program was paid for by the farmers themselves, and it has worked. It saved about $1 billion. The trouble is the program will expire April 1.

Q: What effect, if any, will the new farm bill have on future consumer prices?

A: I don't see any major changes in prices as a result of this year's bill.

*Hawkins' bill, H.R. 671, would provide economically-disadvantaged youth with part-time and summer jobs if they agree to finish high school. Jobs would be subsidized by the federal government at an estimated annual cost of $2 billion.

THE BOARD ROOM

Machus opens NRA conference for independent operators

NRA President Harris Machus (Harris O. Machus Enterprises, Birmingham, MI) kicked off the NRA 1985 national management conference series with a welcoming address at NRA's first National Management Conference for Independent Operators. The conference was held at the Meridien Hotel in New Orleans, LA, on January 28.

Machus told the more than 100 independent operators, foodservice executives and media representatives gathered for the occasion, "This conference is dazzling in its scope and in the quality of the minds that have gathered for it. For me, however, the real excitement derives from the significance of this gathering in itself. In this conference, the independent operators within NRA have found a place and occasion for the exchange of ideas. We are professionals, and professionals need to confer with each other at least once a year to keep abreast of the most creative approaches and successful solutions to the problems involved in feeding America away from home.

"More than a hundred of us have come to this conference to share our knowledge and learn from each other. Next year I expect to see 200 attend, and, five years from now, 1,000. You can consider yourselves founders of what will become the most seminal annual gathering of independent operators in our industry.

"I am excited about this new NRA conference. It will provide me with an opportunity to go on learning from my colleagues. No one knows better than the independent operator that a successful foodservice operation is created and recreated every day. Success is, as one writer phrased it, 'Not a having and a resting, but a growing and a becoming.' "

Sharing the platform with Harris Machus were NRA Board Member Mike Hurst (15th Street Fisheries, Ft. Lauderdale, FL); NRA Executive Vice President William P. Fisher; Lou Holtz, head football coach at the University of Minnesota; Jeanette Riechers, editor of *Independent Restaurants,* and a number of well known management consultants and foodservice leaders.

California wine festival honors Machus, Fisher and Sardine Factory

NRA President Harris Machus (Harris O. Machus Enterprises, Birmingham, MI) and NRA Executive Vice President William P. Fisher were inducted into the Monterey Peninsula Chapter of the Brotherhood of the Knights of the Vine at the Hyatt Regency Conference Center in Monterey, CA, last November.

The induction was part of the festivities surrounding

NRA President Harris Machus kneels as he is knighted by Dr. John Nardone, commander of the Monterey Peninsula Chapter of the Brotherhood of the Knights of the Vine.

the 9th Annual California Wine Festival, an annual event that draws wine buffs, restaurateurs, members of the wine industry and journalists from around the nation.

Machus delivered the keynote speech at the four-day event. NRA Vice President Ted Balestreri, a California Wine Festival board member, participated in one of the seminars. During the festival the Sardine Factory, a 200-seat fine-dining establishment on Cannery Row, which is co-owned by Balestreri and partner Bert Cutino, received the National Brotherhood of the Knights of the Vine's Gold Vine Award for 1984 for its extraordinary commitment to wine, its impressive cellar and national recognition as one of the finest American restaurants. *—Dorothy Dee*

NRA President Machus talks trends with New York media

While in New York City to address the board of directors of the New York State Restaurant Association, NRA President Harris Machus was a guest on ABC-TV's highly-rated morning show, "Good Morning America."

Machus discussed trends in the foodservice industry with show host David Hartman, Allen Bernstein of Le Peep International and Alvin Copeland of Popeye's Famous Fried Chicken and Biscuits. Machus also made a guest appearance on WABC-AM's "Kathy Novak Show."

FAST FOOD GOES ETHNIC

by Toni Lydecker

As sales growth of such traditional fast food items as hamburgers and pizzas continues to slow, a dazzling assortment of new fast food alternatives is taking up the slack. Many of these are ethnic and regional specialties.

This trend is hardly surprising, given the overall popularity of ethnic food items served in restaurants. A recent study by the National Restaurant Association showed that the public is most partial to Italian, Chinese and Mexican food, in that order, and that a majority of respondents would try more ethnic foods if they were available in restaurants.

Regional cooking—especially with a Cajun or Southern flavor—is a more recent development but one that seems destined to prosper.

A limited, fast-service menu offers customers a way to try something a little different without a major investment of time and money. Although their food varies widely, the most flourishing companies in this segment of the fast food market are all tapping a widespread consumer demand for

- **a new taste experience.** Customers are interested in trying the new ingredients or combinations they find in ethnic and regional food. They may be equally intrigued by a familiar food, such as chicken, cooked by a different technique or seasoned with an imaginative blend of spices. To satisfy their customers' yen for novelty, successful companies are constantly testing new menu items or refining their signature dishes.
- **better nutrition.** Innovative use of salads and vegetables is a strength of ethnic and regional fast food operations. Another selling point is their reliance on cooking methods, such as char-broiling or stir-frying, which many customers prefer to deep-fat frying. Some companies are also reducing or eliminating ingredients such as salt and MSG—and telling their customers about the health benefits.
- **fresh foods.** Although they may band together to buy basic ingredients at a discount, stores in an ethnic or regional chain typically retain control over the freshness of their food by preparing it on site. Operators are also finding that foods with strong associations of being homemade—such as biscuits—have an automatic edge over items connected in the consumer's mind with mass production.

Mexican food still hot . . .

Fast food operations are cashing in on the American public's continuing relish for South-of-the-border specialties. In fact, an entirely new kind of Mexican-style fast food has sprung up during the past few years: char-broiled chicken, served with salsa, flour or corn tortillas and beans.

The spread of this concept follows a pattern typical of many ethnic fast food operations. Modifying an idea that worked in the country where the cuisine originated, an independent restaurateur establishes outlets in the United States; if the public goes for the product, a large chain expert in organizing nationwide franchises often buys out the founder.

El Pollo Loco illustrates this sequence of events. Founded in Mexico in 1975, its Los Angeles, CA, stores opened five years later. Now Denny's, Inc., has purchased the chain and is preparing to expand into appropriate markets across the country.

El Pollo Loco's chickens are first butterflied, then marinated in a blend of herbs, spices and fruit juices. Slow char-broiling comes next, with cooks manually turning the chickens and moving them gradually down the grill as the cooking progresses. The most direct competition, according to a company spokesman, is not other Mexican restaurants but other chicken restaurants. El Pollo Loco touts its product as being nutritionally superior to fried chicken, telling customers they can eat 25 percent more char-broiled chicken for the same number of calories.

Pollo de Oro, one of El Pollo Loco's competitors in the Los Angeles vicinity, has installed a spin-off of the conventional salad bar: a salsa bar. In addition to spooning out chopped onions and other toppings for their chicken/tortilla combos, customers can choose salsa ranked on a scale of 0 to 30 (ranging from baby-food bland to blistering).

Operations serving more traditional Mexican-style food are experimenting with new menu offerings. Taco Time International, based in Eugene, OR, has found that calorie-conscious working women are particularly quick to order the newly introduced Tostada Delight, which uses a tostada shell as the edible bowl for a salad. Not every customer is a dieter, however, for the company is also doing well with its new super-sized burritos and with desserts, which include fruit-filled *empanadas* (turnovers) and *crustos* (flour tortilla chips dusted with sugar and cinnamon).

Streamlined Asian cuisine . . .

Another strong comer in the ethnic category is Asian fast food. Joseph Andrzejczyk, manager of a Ft. Lauderdale, FL, branch of Quik Wok, thinks the store's predominantly young clientele is looking for flavorful food that's heavy on vegetables and light on grease and protein. Using the same woks and other cooking apparatus found in any Asian restaurant, employees prepare the food in small portions, constantly.

Nankin Express, a chain based in Minneapolis, MN, has reduced the delicate art of Chinese cooking—or part of it, anyway—to four basic steps that can be performed easily in a quick-service setting. After stir-frying the meat, food preparers add vegetables, a packet containing 8 to 14 premeasured seasonings and, finally, liquid to form a sauce. The prepared food is warmed on steam tables during the short interval before it is sold. "Even though we'd need only five minutes to cook it to order, the lines would back up during our peak periods," explains President Joel Golden.

Japanese cuisine would produce an almost imperceptible blip on the radar screen of ethnic fast food sales, but it is winning devotees in cosmopolitan areas. Noodles, dumplings and marinated, fried chicken go like hotcakes at Dosanko's 16 units in the Northeast.

In its two New York City outlets, Genroku Sushi has introduced a self-service method that is popular in frenzied Tokyo but a novelty in this country. Customers sit on stools at a counter while impeccably arranged plates of sushi pass before their eyes on a conveyor belt. They choose whatever strikes their fancy, and, when the feast is over, the server counts the dishes to determine the charge.

Hot pasta, instantly . . .

A slice of pizza or a meatball sub is no longer the only Italian food people can eat on the run. At V's Pasta Parlors in Independence and Kansas City, MO, customers can choose among lasagna, ravioli and nine pasta shapes, such as mostaccioli and vermicelli.

Vita Totta's family has owned a full-service restaurant for years, but the three fast food outlets were opened only after her son decided to enter the business. "He thought people should be able to enjoy Italian food without spending an hour and a half on lunch," she says.

She attributes the lively business done by the fast food operations partly to the basic pasta sauce, which is the same one served in the fine-dining restaurant. "For a sauce of consistent quality, you have to use the best ingredients. You might be able to find ground meat for 89 cents a pound, but it's not what I would choose," says Totta. The other ingredient for success is the stores' locations in major shopping malls, where customers gravitate towards the smells of garlic bread and simmering sauce. For the concept to work in a free-standing store, the menu would have to be expanded, Totta believes.

Most fast food operations have adapted standard restaurant equipment to the task of preparing ethnic and regional foods. An exception is Yankee Noodle, a restaurant in Bethesda, MD, where a clever machine has solved the problem of incorporating delicate egg pasta into a fast-service menu. Owner Mario Cardullo's invention, the "Pasta Chef," is a cylindrical unit capable of cooking one to six servings of fettucine and other fresh pasta to order in just 60 seconds. Diners pair the pasta with one of 10 sauces made on the premises. Eating at Yankee Noodle can be a cross-cultural experience, for at least one pasta salad contains snow peas, bean sprouts, Japanese horseradish and other ingredients borrowed from Asian cooking.

Manager Mark Johnston reports that plans are under way for franchising other restaurants to apply Yankee Noodle's technique of preparing fresh pasta quickly.

Food with regional roots . . .

Instead of adapting the cuisine of other countries to a fast food setting, some companies are capitalizing on cooking traditions native to America. Cajun and Southern cooking fit into this category. Like the new Mexican-style operations, many companies specializing in regional food have based their appeal on the strong demand for chicken. But they haven't abandoned fried chicken—just spiced it up. Popeye's Famous Fried Chicken & Biscuits, which pioneered the spicy

Mainstream menus branch out into ethnic

Having tied down an enviable 53 percent share of the market for Mexican fast food, Taco Bell's long-term goal is to join the mainstream, eventually becoming as big as the three major hamburger chains. Ironically, the mainstream chains are eyeing the success of companies specializing in ethnic and regional food—and they're diversifying their menus to scoop up some of those profits. Consider these developments:

- Jack in the Box recently added taco salad, nachos and "Chicken Fiesta" (cold chicken in a spicy sauce) to an already extensive menu.
- Arby's has introduced an "international salad bar" with a theme that changes quarterly. When the theme is Polynesian, for instance, the usual array of salad ingredients is supplemented by coconut, tropical fruit salad and poppy seed dressing.
- Kentucky Fried Chicken is testing a recipe for spicy chicken in selected cities.
- Chili's is edging away from the gourmet burgers the company helped popularize by adding ethnic menu items, such as beef and chicken fajitas.

These chains, of course, continue to offer the fried chicken, burgers, sandwiches and other items on which their reputations stand, but could their small toehold in the ethnic market threaten the profit margins or even the survival of the specialty chains?

"No" is the answer Taco Time International's Tamra Heathershaw offers to that question. "When people are in the mood for Mexican food, they'll still come to us," she shrugs.

Richard Pierce, vice president of marketing for Jack in the Box, concedes that a purchase of nachos in one of his chain's stores would most likely be an impulse buy after arrival, not the reason the customer came in the first place. But he believes the mainstream chains can present formidable competition with some ethnic items: "Take tacos. We've sold those for a number of years, and we're known for doing a good job with them."

chicken alternative 13 years ago, is also testing Cajun red beans and "dirty" rice.

Interestingly, the word biscuits appears not only in Popeye's name but also in that of a competitor, Bojangles' Famous Chicken 'N' Biscuits. Both companies have achieved remarkable success in turning a filler item—the bread or rolls, which many customers discard—into a major profit center. Now they're finding other uses for the biscuits, such as sandwiching a piece of chicken fillet between the halves.

Spicy chicken is also the centerpiece of Chicken George's menu, although the Baltimore, MD-based company offers a toned-down version as well. A few Cajun elements, such as chicken gumbo, have crept into the menu, but the real emphasis is on the kind of hearty food enjoyed throughout the South: greens, spicy rice, biscuits and sweet potato pie.

Departing from the tendency of fast food chains to aim for a broad-based clientele, founder Ted Holmes has built a highly loyal customer base among blacks living in urban areas. In fact, the chain is named after a freed slave who is a character in Alex Haley's book, *Roots*. The salt content in Chicken George's food is unusually low, evidence of the company's determination to serve the nutritional needs of its clientele; excess sodium intake poses a special risk to blacks, who are prone to high blood pressure.

As American as apple pie? . . .

Tacos and pizza were long ago assimilated into the average American's dining vocabulary; in fact, we have to think twice to remember those foods originated beyond our shores. At the other end of the spectrum are such ethnic dishes as *fajitas* (Mexican) and *sashimi* (Japanese).

Fast food companies face a real dilemma in planning menu items, decor and marketing strategies. Should they play it safe with well-accepted approaches and risk boring the customer? Or go full steam ahead, perhaps to discover that some customers are turned off by too many unfamiliar elements?

Some companies steer a middle course. "We serve Mexican food made to American tastes," says Tamra Heathershaw, director of public relations for Taco Time International. That chain seasons its food rather mildly, providing salsa on the side to customers seeking a more fiery sensation.

Taco Time International concentrates its stores in the midwestern and western states, where Mexican food is already a favorite, and draws in new customers through coupons ("three burritos for the price of two"). Nonetheless, observes Heathershaw, "People have to have the right mindset to try something new."

Similarly, Nankin Express has found that chicken chow mein and chop suey, American-invented variations on Chinese food, are the mainstays of the menu. As alternatives, the chain offers such peppery dishes as Szechuan chicken, but consumption of these is much lower.

The decor also may influence the degree of comfort a diner feels in trying new food. Many ethnic and regional restaurants are aiming for a more subtle effect rather than immersing the diner in a total ethnic experience. The basic intent is to make customers feel at home; they're eating ethnic food but in a setting very much like other restaurants in that part of the country.

For example, Taco Time keys its decor to a Southwestern American theme. Serapes and other ethnic motifs are integrated into an overall decorating plan that also includes strings of dried peppers and authentic Southwestern art. Similarly, instead of going with the red and black decorating scheme common in Asian restaurants, many new operations are choosing mauve, browns and other earth tones.

Other restaurants celebrate the novelty of their ethnic concept, believing that this is the best way for the company to build and retain a strong identity.

A striking example is Bojangles' media campaign, with its slogan, "Just no cookin' like Cajun." Introducing the legend of "Bo" Jangles, a Cajun cook, the ads feature actual Cajuns speaking their dialect.

El Pollo Loco regards the novelty of ethnic and regional cooking as an opportunity to educate customers about food combinations they may not have tried before. In *The Pollo Lover's Training Guide*, diners receive full instructions on the art of consuming that chain's signature menu item. Beginners practice folding a tortilla, using it to pull off a piece of chicken and dunking both in salsa. By the third lesson, they will have learned how to pick up some beans and coleslaw on the way to the salsa. "We're not just selling food—we're selling fun," points out a company spokesman.

Consumer education is also a must at Genroku Sushi, where novice diners might not otherwise know whether they are selecting tuna or swordfish sushi off the conveyor belt. Aided by a "showcase" of dishes with identifying labels, customers can proceed with assurance.

The educational mission of V's Pasta Parlors is to combat what Vita Totta calls "the American public's misconception that pasta is fattening." Large, colorful posters proclaim that a serving of pasta with sauce adds up to only a fraction of the calories represented by a hamburger or serving of fried chicken.

Outlook is bright . . .

There is no question that ethnic and regional fast food offers excellent prospects for growth. By all indications, the popularity of ethnic and regional specialties is still on the upswing. And, according to a recent *Food Institute Report*, per capita spending at limited-service restaurants increased 72 percent between 1977 and 1982—significantly faster growth than for full-menu restaurants, which grew by 56 percent.

Several large fast food companies are showing a marked interest in promoting new ethnic and regional concepts. They're particularly attracted by the greater pricing flexibility made possible by generally lower food costs; in contrast, the profit margin for burger restaurants is razor thin.

It's even likely that the fledgling Asian fast food industry will skip the initial stage of mom-and-pop stores that has prevailed for ethnic food in the past. Instead, such giants as Multifoods Corporation (owner of Mr. Donut) and Pizza Hut are planning to open franchises across the country.

The only puzzler for ethnic and regional fast food operations is breakfast, which many don't serve. The reason: Even people who eat adventurously the rest of the day stubbornly resist eating anything much different from their normal fare at breakfast time. When Americans bypass the usual cornflakes or toast to sample seaweed soup, Oriental style, the last cultural barrier will have come down. ❑

MENU INNOVATIONS

by Kathy Boyle

The baby-boom children who grew up on fast food are now in their mid and late 30s. They are America's fastest growing age group. They still enjoy the convenience of fast food, and they have the money to spend on it. But they want more variety, new tastes and nutritious, fresh and high quality food. The result has been an explosion of new fast food menu offerings and penetration into offbeat locations (see sidebar).

Moving fast in several different directions . . .

One need only look at what's afoot at Atlanta-based Arby's to get a feeling for what is happening. Last year Arby's aggressively pushed into the fast-growing breakfast market. "Encouraged by sales 50 percent better than initially expected in our tests, we rolled out our croissant breakfast, either plain or with three toppings, in January 1984," says Pat Snyder, marketing communications manager at Arby's. Snyder attributes the idea for the croissant breakfast to Arby Franchisee Richard Ripp of Richmond, VA. Ripp brought the idea back from Europe. "It fit our quality concept of something just a little bit better and different," she says.

Two months after the croissant breakfast was unveiled, Arby's tackled its lunch/dinner menu by introducing its fish fillet sandwich. Based on the sandwich's success and further market testing, Arby's is in the process of making it larger. Says Snyder, "We really are interested in offering top quality to our new fillet of fish customer," and if top quality means a larger sandwich, Arby's is willing to oblige.

Not to be left behind in the scramble to get baked potatoes on the menu, Arby's began national distribution of its version last September with five different toppings. More toppings are planned for 1985.

To make its salad bar more interesting, Arby's has added an international salad theme, which changes quarterly. For example, the Mexican theme introduced such toppings for salad as nacho chips, black olives and guacamole.

"We just want to offer variety which will bring in a better mix of people," says Snyder. And Arby's changes have brought success. Although most beef sandwiches are still the mainstay, deli sandwiches and chicken breast sandwiches, introduced in 1980, now account for 20 percent of Arby's sandwich purchases.

More than a dozen items added by Roy Rogers . . .

The move toward quality and variety is apparent at other fast food operations as well. In 1984 Roy Rogers Restaurants added baked potatoes with five toppings, five new salad bar items, a kid's meal, a breakfast sandwich, biscuits and a weekend all-you-can-eat breakfast bar.

Another new creation is Roy Rogers Strawberry Shortcake. "It is actually a mix of the ingredients we

MORE OPTIONS FOR FAST FOOD CUSTOMERS

already had," says Mary Maguire, manager of public relations for Roy Rogers restaurants. "We had the strawberry for our sundaes, the biscuits for chicken and the topping from our shakes. We just put it together for a new item.

"We are also looking at other product improvements," adds Maguire. "For example, we are currently examining the flavor profile of our fresh fried chicken. We're considering reducing the salt and adding other spices instead."

To come up with ideas, Roy Rogers does customer research. It asks a sample of patrons to choose foods that they would like to see on the menu from a long list. Where there appears to be the greatest interest, Roy Rogers begins developing test items.

Rax teams with American Heart Association . . .

Breaking new ground is the fast-growing Rax chain in Ohio. Innovators of many items now quite common at other fast food companies, Rax has yet another first to its list of successes—a heart healthy menu. The Rax is the first national fast food chain to list selected menu items that follow the food guidelines of the American Heart Association regarding fat, cholesterol and calories. The items include beef, plain potatoes and selected salad bar offerings.

The new menu also contains a consumer guide to the fat, protein, carbohydrate, vitamin, and overall calorie content of all menu offerings. Also on the menu are three special low-calorie meals put together by the Rax chain. One such meal offers a bowl of vegetable soup, a salad platter with reduced-calorie dressing and a medium diet drink—all for under 215 calories.

To draw the customer's attention to the new healthy menu, Rax has placed brochure-type menus and large posters in each outlet. The new menus specify which items meet the American Heart Association's guidelines.

"Basically our advertising pitch is 'Good food that's good for you,' " says Howard C. Landau of Wyse Public Relations, which represents Rax. "Our latest message, 'A few words to your heart from the people who usually talk to your stomach,' " he adds.

"We have recognized for many years that people want more from fast food than burgers and fries," says Rax chairman J. Pat Ross. "We pioneered the salad bar back in the early '70s. Today we have one of the most extensive offerings in the business, including fresh seasonal fruit. It's still fast food, but it doesn't look, taste or feel like fast food," Ross concludes. Other items being tested by Rax include chicken salad and a seafood salad.

Non-fried seafood makes inroads . . .

Seafood salad is also big new news at Washington-state based Skippers Seafood restaurants. Famous for lightly breaded and deep fried seafood, the chain has added a new 90-

calorie seafood salad. "The emphasis is on a fresh alternative," explains Carolyn Mullins, director of product services at Skippers. "The seafood salad is a bed of lettuce, sea legs, which are a combination of white fish and crab meat, and tomato and carrot sticks." Skippers also offers a choice of low-calorie dressings.

To offer lighter fare as well as to broaden its appeal, Long John Silver's is testing several new products, including baked fish, crab cakes and two new chilled seafood entrees.

Other innovations are sure to be on the horizon. Sparked by the surge in fish's popularity, the Culinary Institute of America has added a seven-day course in fish cookery. New butchering and cooking techniques are featured, which can save up to 60 percent of the waste associated with fish. Students are sure to bring this know-how to their future jobs.

Other lite menu extensions featured . . .

Nearly every major fast food operation has tailored its menu to the interest in lite foods.

McDonald's has added prepackaged salads in 15 of its downtown Chicago restaurants and in 60 other

FRANCHISING SUCCESS

NRA News *spoke with Tom Feltenstein, chairman of the board of the Franchise Institute of America in Boca Raton, FL, to get his impressions about the success of Foodservice Franchising*

NRA NEWS: How well did foodservice franchising do last year?
FELTENSTEIN: Total franchising sales were up 13 percent over a year earlier, and they are expected to continue to rise.

Q: What are the fastest growing segments of foodservice franchising?
A. Although the hamburger segment accounts for more than 50 percent of total sales, its percentage of unit growth is the slowest in the industry. On the other hand, pizza is the fastest growing segment and is seeing considerable activity on the quick-service end of the scale. Another growing segment is food specialty shops, posting sales amounting to $8.5 billion in 1983 and expected to report $9.3 billion for 1984. The most popular specialties are ice cream/yogurt shops and donut shops.

Q: Why are pizza and specialty franchises seeing such tremendous growth?
A: Pizza is gathering momentum with the widespread popularity of individual size pizzas and the introduction of faster service and regional topping favorites. Similarly, while more Americans are watching their weight, they are still enticed by frozen dairy products which focus on unique toppings. Gourmet flavors and low calorie yogurt have led to the continued growth of this segment, particularly in Florida.

Q: Are any types of foodservice franchises struggling or failing?
A: The foodservice industry, as a whole, shows less than a five percent failure rate each year. In comparison, the Small Business Administration (SBA) reports that 65 percent of independent small businesses fail within five years. Of course, franchised operations are not foolproof; and although few are failing, some are seeing slower growth. As mentioned, numbers of hamburger units are showing slow growth at only one percent. Also, hamburger franchisors are being forced to spend large advertis-

stores in Columbus, OH, and Los Angeles, CA. At some of the locations there is an exhibition area where customers can watch employees put the fresh salad ingredients together into individually-packaged containers. There are four salads to choose from—a garden salad (either as an entree or as a side dish), a chef's salad, a pasta salad or a fruit salad.

Why has McDonald's waited until now to add salad to its menu? "We wanted to make sure salads fit our 'fresh fast food' concept," explains Terri Capatosto, supervisor of media relations for McDonald's. "A prepackaged salad fits our fast-to-go requirements. The customer doesn't have to park the car, come in, make up a salad and then pay for it. The customer simply orders a salad—even at the drive-thru."

Jack-In-The-Box also is going all out for its lighter offering, the pita sandwich. The advertising claims, "It fills you up without weighing you down."

Wendy's began testing its light side menu, a reduced calorie menu featuring a cottage cheese salad, tuna fish salad, and wheat buns in four markets last year.

New chicken offerings abound . . .

The chicken war promises to continue. This past October, Church's Fried Chicken rolled-out Crispy Nuggets after just three months of research, development, planning, testing and distribution. These nuggets come in two varieties, spicy and regular, with four dipping sauces. White Castle also made a pitch for the market in 1984, adding a 59-cent chicken sandwich to its menu in Columbus, OH, units.

Capitalizing on the good nutrition trend, Carl's Jr., a 300-unit chain in California, Nevada and Arizona, introduced a charbroiled chicken sandwich a year or so ago. It consists of chicken which is marinated in barbeque sauce and charbroiled. The sandwich is garnished with lettuce, tomato and barbeque sauce and served on a honey, whole-wheat bun.

Chick-fill-A, Atlanta, GA, is testing several new chicken menu items—chicken soups and chicken pies—as well as waffle fries, a potato item that tastes like french fries but looks like a waffle.

Chicken McNuggets may soon have a competitor on the McDonald's menu—Chicken McSwiss. McDonald's new cordon bleu-like chicken sandwich consists of a chicken patty, ham and Swiss cheese sauce. The sandwich is being tested. (For other chicken innovations see "Fast food goes ethnic," also in this issue.)

Q&A

ing dollars to compete for a share of the market. Additionally, to strengthen their market share it has been crucial that establishments, such as pancake houses and chain steak houses, shed old images and diversify and enlarge menu selections.

Q: What are some of the obstacles of operating a successful franchise?

A: Most often, a failure to identify regional differences and a concept that is not transferable to other markets. Other problems, typical to most business, are incompetent personnel, poor site selection and deficient capital. For all the essential ingredients of a franchise to flow together, the endeavor must be guided by experience, strong financial backing, good management and a good reputation.

Q: How does the success rate of franchisee-owned operations compare to company-owned?

A: Both show increased sales figures, but franchisee-owned operations led in sales and in unit growth in 1984.

Q: What does franchising offer the franchisee?

A: For the price of an initial franchise fee and an ongoing royalty arrangement, the franchisee buys into an experienced system with tested methods and has rights to the trademark, logo, operational guidelines and assistance of that system.

Q: How does a franchisor benefit from its franchisees?

A: With more franchise outlets comes greater numbers of supporters and faster expansion in a more widespread geographic area. Franchising not only cuts down on the costs of expansion, it alleviates the pressures and responsibilities of day-to-day management which would normally be a part of expansion.

Q: How can a potential franchisee choose a suitable franchise?

A: Many sources are available from the Small Business Administration (SBA) and U.S. Department of Commerce. However, the franchise agreement and disclosure statement may be the most revealing and should be carefully examined.

Q: Is franchising right for everyone?

A: Although franchising offers an established, tested method which puts you several steps ahead, it is not right for all individuals. A good franchise is, however, like paying for an established business complete with customer recognition. It is then up to the franchisee to run and manage it for success. ☐

Pizza innovations from coast to coast . . .

With its personal pan pizza, Pizza Hut put pizza into the realm of fast food for the lunchtime market. Now Pizza Hut is toying with barbequed pizza in Wichita, KS, and 25 percent of its other units.

San Francisco-based Round Table Pizza is spearheading other pizza innovations. In addition to a six-inch personal pizza, it has introduced the Pizzatato, a potato shell filled with cheese, pizza sauce and a choice of toppings, and Camelot Calzone, sandwich-type fillings folded into pizza crust. Similarly, in its Madison, WI, locations, Rocky Rococo, a 28-unit chain, is testing a new pan-style sandwich. The sandwich features fresh bread filled with fresh fillings and served in a small pizza pan. The four fillings are roast beef, turkey, submarine and vegetarian. The sandwich is targeted to customers who may be infrequent or non-pizza eaters.

Reportedly, McDonald's is working on a McPizza concept, a hand-held no-mess version of pizza. Burger King also is allegedly looking to expand into the pizza market, most likely through acquisition because of Pillsbury Co.'s strong presence in the dough and baking business.

Blazing new trails

Truckstops—Instead of featuring dining operations of their own, some truckstops are now merging with fast food operations. McStop, McDonald's first venture into the truckstop business, is under construction. The Lakeville, MN, location will feature regular McDonald's fare in a modified building that also will house a convenience store, gas station, motel and small shopping center. Burger King signed agreements with Howard Johnson's and Truckstops of America, Inc., for restaurants within their locations.

Military bases—Military bases continue to offer vast opportunities for fast food franchisors. Burger King has signed a contract with the Army/Air Force Exchange System. At Burger King's Coast Guard location at Governor's Island, New York, an expanded menu includes pizza and beer. McDonald's picked up their share of the business last August with an agreement with the Navy. Custom Creamery Systems, Inc., is installing a second gourmet dessert center at a U.S. Army base.

Malls—For customers who want a bite on the run, franchisors are offering an abbreviated version of their concepts in malls. Roy Rogers Express only offers burgers, topped baked potatoes and sodas. McDonald's operates its limited menu McSnack prototype.

Discount department stores—Franchisors are eyeing department stores as further penetration of the shoppers' market. Roy Rogers signed an agreement to operate in McCrory's Discount Stores; three units are already open. In a similar arrangement, Burger King and Custom Creamery have signed agreements with Woolworth, which has some 1,300 stores around the country.

Zoos, fairs, parks—Park concessions are changing, too. Custom Creamery signed for four outdoor locations with the New York Department of Parks. McDonald's operates a unit at the Toronto Zoo and another unit on the water under the Gateway Arch in St. Louis, MO. Not to be left behind where there is business to be found, Burger King has equipped a bus to go out where the business is. A self-contained fast food unit will offer Burger King's full menu at parks and fairs.

Home delivery—Based on Domino's Pizza, overwhelming success with home delivery, other operators are taking a hard look at this service. In October 1984, Kentucky Fried Chicken started testing home delivery service in one of its Louisville outlets. In December Burger King began a two-month home delivery trial at a suburban Columbus, OH, location. Using two station wagons equipped with a heating compartment, the Burger King delivers to any residence within a three-mile radius. A five percent charge is added to the meal price, which must be at least $5.00.

Order-by-phone—Last year White Castle began a toll-free ordering system. For $57 you can order 50 burgers; $82 gets you 100. The burgers are frozen, put in dry ice and shipped express mail to go anywhere in the U.S.

The breakfast fight is far from over . . .

The attack on McDonald's lion's share of the breakfast market is far from over. Burger King is expanding its croissandwich, fresh fruit and syrup offering. Wendy's is strongly committed to the breakfast market with its French toast, omelet platter, scrambled egg platter and breakfast sandwich; and it is going systemwide with its program in 1985. But McDonald's isn't taking the competition laying down. In August the chain began aggressively test marketing its freshly-baked biscuits in New England.

Dunkin' Donuts was also busy in 1984 experimenting with several new breakfast items. It introduced baked-on-the-premises buttermilk biscuits, with a choice of sausage, ham, sausage and egg, bacon and egg, or plain with jelly or honey. Other items tested at Dunkin' Donuts were bagels and a new low-calorie donut.

Mrs. Winners is testing a new breakfast cinnamon roll and Church's Fried Chicken is testing a pita breakfast, with choice of scrambled eggs, sausage, bacon and hash browns.

Testing new waters . . .

Finally, there have been efforts to reposition some franchises that have traditionally appealed to a narrow customer base. The International House of Pancakes (IHOP) is an example. IHOP is no longer content with its breakfast image and is successfully repositioning itself to bolster dinner sales. Since it first opened in 1958, IHOP has been famous for its breakfasts, especially its pancakes, offered 18 hours a day.

To take advantage of those long hours, IHOP has developed a new dinner menu including stuffed potato skins, nachos, steamed vegetables and grilled steaks. Where this menu has been adopted, units are reporting sales boosts of 25 to 40 percent.

IHOP owners (about 75 percent of the 470 units are franchised) report the most popular dinner items are the London Broil (so popular, in fact, that it has been teamed with eggs to make a new breakfast selection), a seafood combination platter and the golden rotisserie chicken. ☐

HIGH TECH HIGH TOUCH Management Trends in Franchising

According to predictions made by John Naisbitt in his best-selling book *Megatrends*, as society becomes more technologically oriented, individuals seek more personalized experiences. This "high tech/high touch" phenomenon can be observed in the area of fast food franchises.

The franchise sector of the foodservice industry has entered the computer age. As competition between chains increases, the need to be one step ahead becomes a corporate necessity. That is why many companies have installed state-of-the-art computer equipment to gather vital operations information on a daily basis. This need to know where they stand at all times is key to survival in the changing marketplace.

Yet, as more and more companies computerize, other management responsibilities are shifting away from headquarters. Regional and field offices are being empowered to implement decisions.

The Pizza Hut Corporation, Wichita, KS, has just completed installing point-of-sale (POS) terminals in all company-owned stores. These computers take inventory, compute employee hours, store payroll information and tabulate the number of menu items ordered each day. Headquarters can "plug in" to any store at any time and receive a complete readout of the day's business. "This system allows for greater efficiency and more accurate decisions," says Mike Jenkins, director of corporate communications. "We can tell at a glance which menu items are selling."

In addition, Pizza Hut has decentralized considerable decision-making authority to regional and field offices. "This, too, adds to greater efficiency," explains Jenkins. "Regional managers are right on the scene so they can respond quickly. They deal with customers all day; headquarters may not be aware of all the variables associated with a problem."

Decisions, such as equipment purchases, bank deposits, contract negotiations, or safety precautions in high crime areas, are now made by regional offices. "These decentralized functions have enabled Pizza Hut to keep up with the changing industry," Jenkins maintains.

John Merritt, spokesperson for Hardee's, Rocky Mount, NC, echoes that philosophy. Hardee's also has a computerized system that hooks up to the home office. Each unit that is part of the system is polled nightly.

"We wrote most of the software ourselves instead of buying prepackaged programs," says Merritt. "We wanted to customize all functions to our own company needs.

"But," he acknowledges, "the company wants to avoid becoming a bureaucracy. We need to have tight control to make accurate decisions, but we don't want complete control over everything." "Therefore," he adds, "management responsibilities have been decentralized.

At Hardees, most day-to-day operations decisions are made at the regional level with communications flowing up and down the line. "The home office is aware of what is going on in the field. We make it our business to communicate as best we can."

Some fast food companies have focused on one or another end of the "high tech/high touch" continium. At Arby's Corporation, Atlanta, GA, the focus is on centralized efficiency, with very few day-to-day decisions being made at the local level.

To this end, Arby's has decided to install computerized systems in all company stores. "The system is almost complete," says Robert McDail, Arby's spokesperson. "It will have the capability to store and receive information on all operations functions."

Some fast service establishments are taking a more grass roots, high touch approach to the management function. For instance, Kentucky Fried Chicken (KFC), Louisville, KY, has instituted a program that trains hourly employees to become managers, regional managers or corporate executives.

"The program has reduced the rate of turnover to an average 120 percent for hourly employees," boasts Nancy Bishop, public affairs spokesperson. (Turnover rates of 175 to 400 percent for hourly employees are not unusual in the fast service sector.)

"This system will eventually create corporate personnel who are responsive to the needs of each unit," she explains. "These employees will know what it's like to have hands-on experience, and that will be a terrific benefit to the company."

Another fast service establishment that devotes a lot of time to employee management systems is Chili's Corporation, Dallas, TX. The 10-year-old chain has always had a decentralized organization, and Creed Ford, senior vice president of operations, believes this is the best way to run a company.

"Our regional supervisors are given a great deal of autonomy," he states. "They can do whatever it takes to effectively run the restaurant."

In an effort to promote better communication between employees, managers and corporate staff, Chili's conducts local meetings and focus groups. At these sessions, employees are encouraged to make suggestions about company policy and procedure. "Many employees have contributed excellent ideas and solutions that were successfully implemented," says Ford. "We hope that in the long run our procedures will pay off."

Computerized systems and technological advances have made it possible for companies to receive information by merely touching a button. With these methods available, the employee could be left in the background to become a casualty of a better and more accurate way of doing business. Franchise corporate executives recognize the importance of employee involvement in company growth and success. To achieve this goal, centralized management is becoming a trend. □

—Elyse Cuttler

FRANCHISING

What do you have to sell?

by Maurice P. Minno and Ara Aftandilian

There are many advantages of using franchising as a means of expansion. The franchisor is able to develop many markets simultaneously while incurring much less risk and without spending the exorbitant amount of money often required to fund many other types of growth. But franchising is not the correct choice for every restaurant company.

Step one—feasibility study . . .

To evaluate the franchise system's potential for expansion requires careful consideration. A franchise feasibility study is the first step. There are four key areas to examine in such a study.

1. Concept evaluation. The restaurant concept must be analyzed to determine whether it is unique, competitive, viable over the long-term and whether the operation standards can be easily maintained. Sometimes a concept can be tied to a trend that may last only a few years or be specific to a geographic or climatic area. In other instances, the concept can be so highly specialized that it would be impossible for a franchisee to maintain standards.

2. Market analysis. A market analysis helps determine the potential success of the franchise in other market areas. Factors to consider include general market conditions existing in the industry and overall demographic trends that will affect the potential success of the franchise.

3. Competitive analysis. Who the competitors are and how well they are doing, both financially and operationally, can further define the feasibility of franchising. Assessing competition also provides a basis to project potential franchise revenues.

4. Financial analysis. Financial projections will indicate the potential for success. The projections must incorporate capital requirements to fund development of the franchise system and the potential revenues from initial franchise fees and royalty payments.

Step two—corporate growth plans . . .

If the franchise feasibility study results in a positive assessment of franchising as a means of corporate growth, corporate growth plans that incorporate franchising should be developed.

These plans should include such specific strategic information as the number of units to be opened over the next few years and specific requirements (capital, technology and staffing) inherent in this growth. Information regarding other types of growth, including the possibility of constructing and managing corporate properties, also should be incorporated in the plan.

Step three—franchise action plan . . .

Planning franchising growth comes next. This plan should incorporate all the elements of the restaurant franchise system, including time frames, responsibilities and resources.

There are eight general elements to most restaurant franchise systems:

1. Concept—the specific type of restaurant and/or menu theme, such as a Mexican restaurant or gourmet hamburger restaurant. The concept is the most important element of the restaurant franchise system. The concept dictates the style of service, the physical plant, interior design, graphics presentation, uniforms, tabletops, menu, among others. All aspects of the restaurant's concept must be documented and names, trademarks, logos, etc., must be properly registered.

2. Standards—how the units will be run with respect to management, service, food and beverage production, menu offerings, maintenance and all aspects of the restaurant's operation.

3. Advertising and promotion—how the franchisor will promote the franchise system on a national and/or regional basis. Usually, the franchisor provides expertise in advertising and promotion, and the franchisee pays a predetermined percentage of gross sales for these services.

4. Training—how standards will be communicated. Training manuals and training programs are important elements of a restaurant franchise system. Help is necessary both during the pre-opening months and on a continued, on-going basis to maintain the franchisor's expected standards of operation.

5. Quality control—how standards will be maintained by quality assurance programs.

6. Reporting—how the corporate office will communicate with its franchisees, with respect to gross sales, product sales, franchise fees payable, marketing and advertising fees payable and other topics. This should encompass lines of reporting as well as reporting formats.

7. Services—additional services within the context of the franchise agreement. Examples of these services generally include site selection and appraisal; site market/feasibility analysis; lease negotiation; architectural and/or engineering plans and specifications; and furnishings, fixtures and equipment specifications.

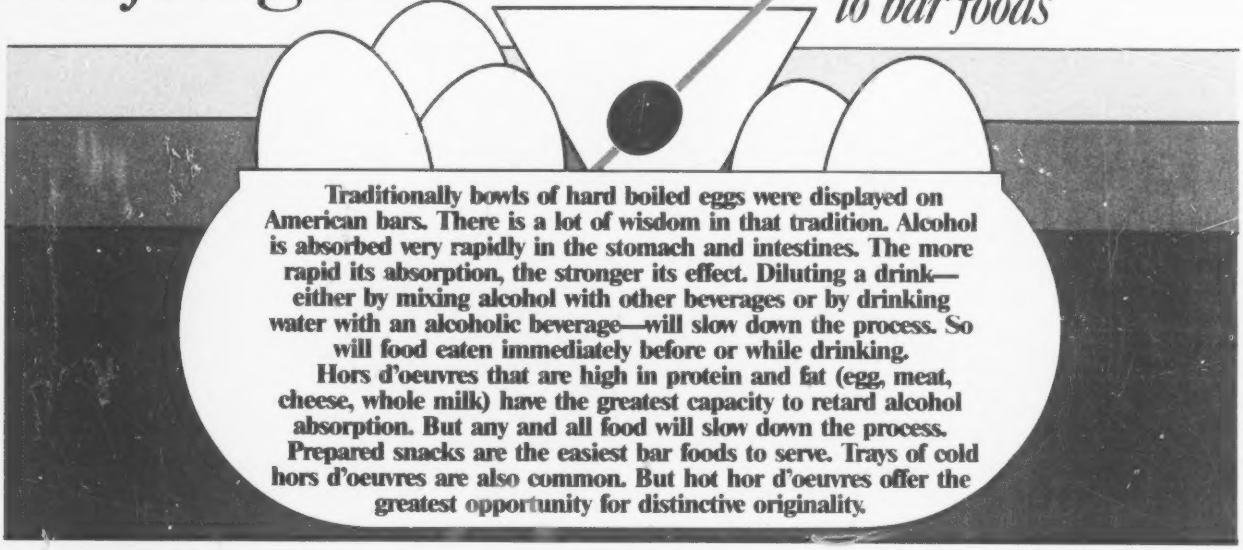
8. Documentation—a description of how the franchise system works. It includes specific references on the services being provided by the franchisor and being assigned to the franchisee. Legal documents currently required by the Federal Trade Commission and state regulatory agencies are a part of this process.

In conclusion . . .

If you are contemplating franchising, analyze your restaurant concept from a prospective franchisee's point of view. Think of all the elements in a restaurant franchise system. Discuss your plans with outside specialists. Investigate potential markets and similar franchise operations. Answer the question, "What do you have to sell?" ❑

Maurice P. Minno is a principal and Ara Aftandilian is an associate of MDR Associates in Fairfax, VA, a professional hospitality management consulting and commercial kitchen design firm, which regularly assists restaurateurs.

Shifting Gears from discount drinks to bar foods



Traditionally bowls of hard boiled eggs were displayed on American bars. There is a lot of wisdom in that tradition. Alcohol is absorbed very rapidly in the stomach and intestines. The more rapid its absorption, the stronger its effect. Diluting a drink—either by mixing alcohol with other beverages or by drinking water with an alcoholic beverage—will slow down the process. So will food eaten immediately before or while drinking.

Hors d'oeuvres that are high in protein and fat (egg, meat, cheese, whole milk) have the greatest capacity to retard alcohol absorption. But any and all food will slow down the process.

Prepared snacks are the easiest bar foods to serve. Trays of cold hors d'oeuvres are also common. But hot hor d'oeuvres offer the greatest opportunity for distinctive originality.

by Anne Papa

Weekdays at 4:00 p.m. at The China Rose restaurant in Arlington, TX, customers begin lining up at both ends of a 24-foot table, set up in the center of the lounge area. In keeping with the restaurant's ethnic orientation, the table is laden with exotic Chinese dishes: Szechuan fish, Kung Pao chicken, hot and sour soup and fried egg rolls. There is more traditional fare as well. At the far end of the table, a chef carves thick slices of prime rib and places them on miniature wholewheat rolls. Happy hour has begun.

The difference between happy hour at The China Rose and the traditional image of happy hour is that drinks are not discounted. At The China Rose there are no two-for-ones, no half-price specials, no double or triple-shot discounts. Instead, the emphasis is on the spectacular buffet which is provided free of charge.

The popularity of bar food—hors d'oeuvres and appetizers served at the bar or in the lounge area—is growing. As drunk driving becomes an ever greater public concern, operators are doing their share to curb the problem. Because food consumed in conjunction with alcohol slows the intoxication process, operators are recognizing the potential of bar food as an effective means of maintaining business while eliminating drink discounts.

"From a socially responsible standpoint, I think we must have more to offer than discount drinks," says Ed Engoron, president of The China Rose. "The climate is such that customers themselves are seeking alternatives." In fact, one month after The China Rose began serving complementary bar food to happy hour patrons, the restaurant took a market survey among customers to gauge their opinion of the new buffet. "Only one table out of 60 said they'd prefer discounted drinks," reports Engoron. "And the amount of new business we'd attracted in just one month's time was phenomenal."

A recent Gallup poll confirms this finding. When 1,177 people were asked, "If you had your choice which would you prefer . . . free snack food with regular priced drinks or two-for-one or reduced price drinks and no food?" Forty-six percent of the respondents preferred the food, 22 percent had no opinion and only 32 percent said they'd prefer reduced price drinks.

Creating a party atmosphere with buffets . . .

Many restaurateurs like Engoron are finding that all-you-can-eat buffets are a highly popular and relatively low cost way to present bar food. Buffets with varying dishes allow for daily adjustments: the quiche of the day which didn't sell out at lunch can be sliced into hors d'oeuvre size portions for the happy hour buffet. Similarly, ingredients which are of little or no use on the regular menu can be used creatively in hors d'oeuvre recipes, such as the side cuttings of meats which might otherwise be thrown away. And, finally, customers going back and forth to a buffet tend to eat less than when food is continuously being placed in front of them, saving room for an after happy hour dinner.

According to Ken McAllister, director of marketing and advertising for Studebaker's Inc. (Dallas, TX), the key to presenting a buffet that will keep customers coming back for more is to make the buffet an occasion. At 16 Studebaker's units throughout the South and Southwest, the buffet is part of a theme night. For instance, the picnic buffet includes hot dogs, fried chicken and corn-on-the-cob laid out on a gingham tablecloth, and servers wear strawhats and checked shirts for the occasion. Mexican night features enchiladas, frajitas and tacos, while Oriental night features fish, meats and vegetables stir-fried in a giant wok. Again, server costumes, music and decor all complement the themes.

"We're in the business to provide entertainment," comments McAllister. "We're not in the business to get people drunk." McAllister says Studebaker's does discount drinks in

Move over cheese and crackers

The term "bar food" no longer implies such standards as weenies on a stick, sliced veggies, or crackers and cheese. Operators these days are putting as much creativity and flair into their bar food as they do into their regular menu selections. Many white tablecloth, up-scale establishments noting the emerging trend, are creating some exotic recipes of their own. Here are some choice offerings:

Marinated scallops

- Sea scallops
- salt to taste
- pepper to taste
- one shot of brandy
- enough seasoned oil and lemon juice to cover

Marinate fresh scallops for 2 hours in salt, pepper, lemon juice, brandy, seasoned oil.

Wrap scallops in sliced bacon, then cook in the oven for 5 minutes at 350°. Serve scallops with marinade juice.

—Chanteclair Restaurant

Hacked chicken

- 3 ½ oz. breast of boneless chicken: poached or broiled per person
- Agar-agar (dried seaweed)

Place the agar-agar in the center of the dish (follow directions on package for preparing). On top of the agar-agar place your chicken which has been shredded Chinese style and pour approximately ½ oz. of the sauce or to taste.

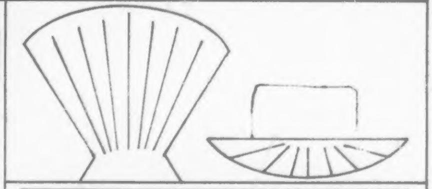
Sauce:

- 2—12 oz. jars of peanut butter
- 3—16 oz. jars of sesame paste or Tahini
- 1 lb. of sugar (granulated)
- 16 oz. sesame oil
- 32 oz. soy sauce
- 2 oz. Chinese hot sauce or Tabasco
- 5 oz. white vinegar

Mix ingredients together: yield one gallon.

Note: this dish is served cold.

—Windows on the World



Artichokes Monte Carlo

serves 6

- 12 canned artichoke hearts
- 1½ cups lump crabmeat
- pimiento strips and bib
- lettuce leaves for decoration

Dill sauce*

Drain the artichokes and remove the centers. Even out the bottoms. Remove the cartilage from the crabmeat, then toss lightly with ⅔ of the dill sauce. Place lettuce leaves on 6 plates and place 2 filled artichoke hearts onto the lettuce. Pour the remaining sauce on top of the crabmeat and decorate with pimiento strips.

*Dill sauce

- 1 cup watercress leaves
- ¼ cup scallions, minced
- 2 T. parsley, minced
- 1 cup mayonnaise
- 3 anchovy fillets, chopped
- 3 T. lemon juice or more to taste
- Salt and pepper to taste
- 3 T. fresh dill, minced
- ½ cup sour cream.

Place all the ingredients except dill and sour cream into a blender or food processor. Blend until smooth. Add dill and blend for 1 or 2 seconds until the dill has been just absorbed. Remove the mixture from the blender or food processor and mix in the sour cream. Chill before serving.

—Created by Marina Polvay especially for The Forge Restaurant

Coconut fried shrimp

- 3 large egg yolks
- ¾ cup beer
- 1 cup all purpose flour
- 3 large egg whites at room temperature
- pinch of cream of tartar
- 1 lb. large shrimp (about 15), shelled, deveined and butterflied
- 2 cups shredded unsweetened coconut
- vegetable oil

1. In bowl, whisk together egg yolks and beer, adding flour a little at a time.
2. In another bowl, beat the egg whites until frothy and add a pinch of tartar. Beat until stiff peaks form.
3. Fold whites into beer mixture. Season to taste.
4. Dip shrimp into batter and then into coconut. Fry in deep fryer in batches in 3 inches of 375° oil 2-3 minutes until golden. Transfer to platter lined with paper towel and keep warm.

Serve with curry sauce.

—Windows on the World

Curry sauce

- ½ cup chopped onion
- 3 T. vegetable oil
- ½ cup chopped celery
- ⅔ cup chopped apple
- ¼ cup chopped carrot
- 2 T. minced ginger root
- ½ cup beef stock
- ¼ cup milk
- 1 tsp. sugar to taste
- pinch cinnamon
- pinch cloves
- 1 tsp. softened unsalted butter
- 1 tsp. flour

1. In saucepan, cook onion in oil until golden. Add celery, carrot, apple and ginger root. Cook 5 minutes. Add curry powder, cook 1 minute.
2. Stir in stock, milk and ⅓ cup water; bring to boil and simmer for 5 minutes.
3. Season with sugar, cinnamon, cloves, salt, pepper. Strain through sieve. Make beurre manie (flour mixed with softened butter) and add slowly.

—Windows on the World

some units, but the company's philosophy is in complete agreement with the changing laws. "We've been emphasizing the food in our restaurants all along," he says.

Other establishments have their themes ready-made for them. Alex's Restaurante in Pullman, WA, is an upscale Mexican restaurant that features a tapas bar every day between the hours of 4:30 p.m. and 6:00 p.m. and again between 11:00 p.m. and midnight. "'Tapas' stands for an old Spanish custom that says travelers in search of drink must also be served free refreshments," explains Pat Diaz, president of Alex's. The tapas bar at Alex's features crab, bean and jalapeno dip, chips and salsa and other Mexican hors d'oeuvres. Diaz says the buffet is reopened during the late night hours to attract students from two nearby universities.

Discounting appetizers on the regular menu . . .

Another way to promote happy hour as a time to eat as well as drink is to discount the appetizer selection listed on the regular menu. For the past year during happy hour Washington, DC-based Chadwick's restaurants have been charging half price for their appetizers, such as fried zucchini, fried mozzarella sticks, nachos and potato skins. "We didn't feel we could beat the high quality product of our regular menu appetizers," maintains Dale Caldwell, general manager of Chadwick's Georgetown. "Our appetizers have always been tremendously popular. Why not stick with a good thing?"

Gallup poll finds bar food popular with patrons

In a recent Gallup poll, 1,177 people were asked, "If you had your choice which would you prefer . . . free snack food with regular-priced drinks or two-for-one or reduced-priced drinks and no food?" Nearly half of the respondents (46 percent) said they prefer free snack food with regular-priced drinks. Only 32 percent said they'd prefer reduced priced drinks and no food. (Twenty-two percent of the respondents said they either didn't know or would prefer neither.)

Those respondents under 35 years of age were much more likely (51 percent) to want snacks than those 35 years old or older (42 percent). Only eight percent of the respondents under 35 years of age said they'd want neither snacks nor discounted drinks.

At Barron's Saloon in Denver, CO, an entire promotional campaign has been built around their discounted appetizers. "Always a dollar, always delicious" at Barron's means that each evening three appetizers from the regular menu are sold for only one dollar each. These appetizers regularly sell for between $3.50 to $5.95.

"By charging one dollar for these items we're just covering food costs," says Bob Chamberlain, general manager. "But we're also going a long way in turning the negatives of liquor restrictions into a positive association for Barron's." Discounts on items, such as shrimp cocktail, onion ring loaves, fried calamari and nachos, are rotated regularly.

Some establishments discount only their signature items, such as The Sardine Bar in Chicago, IL, which serves tiny White Castle hamburgers at four burgers for $1.50 with any drink—including soft drinks. And some take the promotion one step further by discounting their entire menu during happy hour. At Mr. Day's restaurant in Washington, DC, the entire dinner menu (consisting mainly of sandwiches) is served at half price between the hours of 5:00 p.m. and 8:00 p.m.

Keeping an eye toward attracting dinner patrons . . .

Whether operators serve a buffet or bring hors d'oeuvres to the table, they are unanimous on one important point: bar food should promote, not inhibit, regular dinner business.

"The whole purpose of appetizers is to whet the appetite," says Ed Engoron of The China Rose. "People are attracted into our establishment because they hear about our happy hour or they see the large banner outside advertising our buffet. Once they're in, they see our elaborate decor, they notice our attentive service and, most importantly, they sample our food. That's the best advertisement we have for attracting customers from the lounge into the restaurant."

Says Pat Diaz of Alex's Restaurante, "Providing an extensive buffet during happy hour helps build word-of-mouth advertising, which is the best kind you can have. Earn a reputation for being the best place in town, and you'll see a lot of repeat business in the lounge and in the dining room."

Dale Caldwell of Chadwick's says the restaurant's discounted appetizer promotion attracts many customers who favor the new eating trend of "grazing" (see ***NRA NEWS***, December 1984). "More and more people are ordering one or two appetizers and making a meal out of them," he explains. "By discounting our appetizer selection early in the evening, we bring these people in. Many times they end up staying the entire evening."

Providing bar food at alternate hours . . .

Finally, happy hour is not the only time that many operators offer free or discounted bar food. At Chadwick's, chips and salsa are available at the bar all evening. At Mr. Day's, customers can munch on free popcorn at any hour.

"Of course, salty foods encourage customers to buy more drinks," acknowledges Robert E. Lee, owner of Mr. Day's. "But at the same time, food—any food—buffers the effect of alcohol. We don't want to make our customers drunk."

At T.G.I. Friday's, Inc., a 99-restaurant chain headquartered in Dallas, TX, providing complimentary food no matter what the hour is company policy. In addition to the happy hour buffet, servers at T.G.I. Friday's are authorized to give out free "samplings" of the regular menu appetizers to customers throughout the day or evening. "A server may approach a new customer and say, 'You must be new here. Please try our delicious fried zucchini,'" explains Will Hartfeld, general counsel to the company. "Free samples are also a great way to introduce new items to regular customers who may not try them otherwise."

In sum . . .

Public concern about drunk driving and increasing legislation are dictating a change in policy for many restaurateurs regarding drink discounts. A new trend to watch is the emergence of bar food as an exciting, profitable alternative. ☐

HER

ADDING FLAVOR

Fresh herbs are taking root in restaurants from coast to coast. More and more chefs are growing their own herbs and snipping them straight into everything from soup to wine. Restaurateurs are building herb gardens into their decor and marketing them as natural, pretty and fun. And patrons are enjoying appealing dishes, flavored with new combinations of herbs.

Chefs seeking to reduce salt or looking for new flavors for their dishes long have reached for the herb shelf, but it's usually been stocked with dried varieties, except in summer. Now two growing trends have all but ruled out seasonality in fresh herbs: the availability of hydroponic gardening equipment for restaurants and the growth of farm-to-restaurant distribution of fresh herbs. Combined with patrons' new interest in fresher, more healthful fare, these trends are changing the face of food flavorings in many restaurants.

Who is growing and using fresh herbs? Every type of foodservice establishment from the Waldorf Astoria in New York City to Edwardo's pizzeria chain in Chicago, IL, and suburbs.

How are they being used? In every food category, in every way imaginable: orange tarragon butter for swordfish steak, lemon thyme marinade for pheasant, dill sauce for broiled salmon, cilantro-horseradish pesto for grilled yellowtail jack, rosemary glaze on roast rack of lamb, and basil cream with porcini tortellini.

Spago in Los Angeles, CA, grills fennel for its whole red snapper and uses mustard seed to flavor its dish Veal Liver with Red Onion Marmalade. New York's Windows on the World adds mint to its Chilled Cream of Artichokes and deep-fries its Herbed Mozzarella. The Hilltop Herb Farm restaurants in Houston, TX, put fresh herbs in everything, including fresh fruit desserts, teas and May wine. They even use scent of geraniums in finger bowls and put extra herbs into bouquets for table vases.

Fresh herbs for nutrition . . .

Perhaps the biggest users are the restaurants that switched to fresh herbs to substitute for salt or to enhance the flavor of simply prepared foods.

At the top of the current list is the Four Seasons' spa cuisine, developed by Chef Seppi Renggli in collaboration with Joyce T. Leung of Columbia University's Institute of Human Nutrition. The dishes are based on the U.S. dietary guidelines, which suggest reductions in salt, sugar and fat. Chef Renggli uses a cilantro mayonnaise as one salt substitute and leaned heavily on a combination of herbs and spices to develop a salt-free sauce.

Chez Eddy's in Houston also has gained national prominence for its healthful menu based on nouvelle cuisine principles. The restaurant uses neither salt nor high-sodium, high-fat products. Its own grapefruit vinaigrette includes plenty of basil, thyme and parsley.

Restaurants across the country that have adapted the Pritikin Diet to their menus are also herb conscious. At the Hu-Nan Restaurant in Philadelphia, PA, chef and owner Susanna Foo says the key to Chinese Pritikin is twofold: good chicken stock and fresh herbs. She prefers sweet basils in summer dishes and ginger with garlic and lemon throughout the year.

Fresh herbs for fun and profit . . .

Not surprisingly, enterprising restaurateurs using fresh herbs have found ways to turn their practice into favorable marketing tools. Many use in-house materials, such as flyers, table tents and brochures as well as advertising space, to promote their use of herbs.

At Edwardo's Natural Pizza Restaurants in the Chicago area, fresh basil has become a trademark and is promoted as such. "The major thing we talk about is basil," says Edwardo's Director of Marketing Carol Rosofsky. "It is part of our marketing position of freshness. Growing herbs enforces what we're trying to say about our pizza. It distinguishes us from our competitors. The light, airy look of our restaurants, enhanced by the lucite growing containers in the windows, helps create an ambiance."

In the same way, the Washington, DC, Restaurant Nora sets a tone with its mini herb garden at the restaurant's door. Owner Nora Pouillon says the garden attracts customers to the largely organic, fresh-food eating place.

At the Hilltop Herb Farm restaurants in the Houston area, diners can choose any array of herb-flavored dishes while seated in an actual greenhouse, surrounded by pots of herbs. Hilltop Herb Farm owners Madalene Hill and her daughter, Gwen Barclay, have created an "herb education" opportunity for visitors as well. Retail shops in both restaurants sell horticultural materials and herb plants, along with an array of dried herbs, teas and canned jellies and relishes. In the rustic location, diners can combine their meal with an "herb walk" and discussions on herbs. This original farm restaurant also hosts a

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WITHOUT SALT
TomBellucci '85

Spring Fling and a Christmas Open House with demonstrations of herbs and free food. In Houston, Barclay leads cooking classes along with herb demonstrations.

Growing fresh herbs . . .

Growing—without soil—is called hydroponics, and it is the route many restaurants are choosing for their own herb gardens. Seeds germinate in a sterile, porous, gravel-like material and are nourished with water, air and minerals. Some herbs require only two days to germinate; some plants can be cut after four weeks.

The Waldorf Astoria's compact gardens are planted in 24 by 16-inch tubs, stacked vertically in modules of two. The total growing surface is 384 square feet in a 14 by 28-foot room. The Waldorf grows fresh dill, tarragon, rosemary, marjoram, basil, sage, chervil, savory, thyme and oregano, changing varieties from time to time. The hotel estimates it takes only about 10 minutes a day to tend its hydroponic herb gardens.

From farm to restaurant . . .

While hydroponics has made it possible for more restaurants—especially urban ones—to have year-round access to fresh herbs, a growing number of herb farms are distributing their fresh wares directly to restaurants. GLIE Farms in the South Bronx, NY, is a new example of this farm-to-restaurant process. GLIE Farms grew out of a community development project called Group Live-In Experience. The early goals were to clear vacant lots and create community food gardens. In 1982, with some public and private financing, GLIE entered the herb business. The objective was to bring fresh-cut herbs to better New York restaurants, which were encountering difficulty securing year-round deliveries.

Today GLIE Farms makes daily, door-to-door deliveries to more than 300 clients, including hotels, caterers, specialty food shops and restaurants, such as Le Cygne, Lutece, Intercontinental Hotel, American Festival, American Place and VISTA Hotel at the World Trade Center.

Rolling Ridge Herb Farm in Kearneysville, WV, went into business to supply fresh herbs to nearby Washington, DC, restaurants. "Although we're just getting off the ground," explained co-owner Wayne Braunstein, "restaurants seem excited about our product. The fact that we will supply hard-to-find, relatively unique herbs as well as the standards serves as a calling card. There is no doubt we're responding to a growing demand." ❑

Rules of thumb for herb use

Madalene Hill and Gwen Barclay, the mother and daughter owners of two Hilltop Herb Farm restaurants in the Houston area, are well-regarded herb experts. They grow more than 1,000 varieties on their farm outside Houston. They cook with herbs. They dry and package herbs for sale—as spices, seasonings and teas. And they write and lecture about fresh herbs and their use.

Here are some rules of thumb developed by Hill and Barclay from their own experience:

- Try herbs one at a time in order to discover their real taste. At Hilltop, herbs are mixed with cottage cheese and placed on a slice of fresh zucchini for sampling. "Cottage cheese is a terrific carrier for the flavor of the herb," says Barclay, "and the zucchini adds a crunch."
- When in doubt, start out with chives and basil, which most people like right away. You can saute one or the other with onion or garlic and add fresh vegetables or sauces.
- Consider using the classic herb combinations with foods from the same place of origin, such as sage and rosemary with Northern Italian food; basil and oregano with Southern Italian food.
- When you experiment with other combinations, start light. Remember, you can use two or three times as much fresh herbs as dried herbs. Another Barclay rule of thumb: use no more than one teaspoon of dried herbs per pound of vegetable or meat.
- Give herbs a second chance. You may not like oregano because you've used too much of it in one dish, so use less of it next time or try it in another dish.
- Finally, if you must use dried herbs, try to buy them from a small grower who cultivates them rather than merely packages.

25 Tips Your Boss Will Never Tell You

by Donald Naught

There are some things you will need to know as a manager that your boss will never tell you. Here is a list of tips managers said helped them fit into their organizations more comfortably.

1. Learn company policies. Don't assume that every company operates in the same way. Research your organization. Read everything the company writes. Find out what personnel responsibilities are yours. Know what your people are entitled to.

2. Find out what the company expects of you. Know your job description and the job description of everyone who works with you and for you.

3. Get to know your supervisor. Find out what your boss expects of you. Increases in pay, promotion and longevity are basically determined by what your supervisor thinks about your ability to perform.

4. Meet other key people as fast as you can. Get to know your customers, your area supervisors, everyone in your organization who can help you do a better job.

5. Take every opportunity to learn. If you're not learning on a daily basis, you're on the road to becoming obsolete.

6. Give people the training and information they need to do their jobs. One of the things we do in our industry is to put off training. Don't do it. Ask them questions so you can be sure they are getting the information they need to do their jobs. Say, "Ralph, if today we get 50 more covers than we've anticipated during the 11:30 to 12:30 rush, what are you going to do?"

7. Set expectations early in the relationship. Let people know what you expect them to do, how you expect them to do it, when you expect them to do it, why you expect them to do it and how they're supposed to do it. Set these expectations at the outset—not two weeks, six weeks or 10 weeks after you take over your new job.

8. Let people do their jobs once they know how to do them. Don't overcontrol, or you will undermine their ability to perform.

9. Don't carry other people's responsibilities. Delegate. There is a Vietnamese saying that is very appropriate here: "You do my job once for me, I thank you. You do it twice, it's yours." People will try to pass you their responsibilities. You've got to get those responsibilities back on the backs of the people they belong to or soon they will be breaking your back.

10. Promote competence among your employees. One of the things that makes a difference in moving people from unconscious competency to conscious competency is the knowledge that they can do the job. And the only person who can give them that confidence is you, the manager.

11. Form your own opinion about employees. Don't read the personnel jacket until you've dealt with your people for a while. All too often, to a new set of eyes, a joker becomes a star, and a star becomes a joker. Take time to get to know your people before you look at them through the eyes of someone else.

12. Your subordinates need to trust you. Build that trust. Trust is slow to develop, easy to destroy and almost impossible to rebuild. Your subordinates have to feel you have an interest in them, that you're concerned and consistent.

13. Avoid favoritism.

14. Justify personnel changes. All too often new managers make the mistake of going into an operation and making sweeping personnel changes. If you ask them why they did it, they say they knew it had to be done. That's not good enough. Make sure there are performance reasons for firings, terminations, promotions and demotions.

15. Be a role model. Don't mix business with pleasure, and don't abuse company resources of time, people or products. Do, however, be enthusiastic and energetic. These qualities rub off.

16. Seek insights from experienced employees. Establish rapport with someone in the area of personnel and accounting. Next to operational knowledge, these two areas will make you or break you.

17. Be loyal to your organization. Don't make slighting remarks about your superiors. Avoid getting caught up in the rumor mill.

18. Volunteer for assignments. You gain experience and information you might not otherwise gain.

19. Set realistic goals. Don't make commitments you cannot meet.

20. Document. The extra effort involved in documenting everything from personnel performance to sales and expenses is repaid amply. It gives you the necessary backup for decisions you make.

21. Don't live on the reputation you had with your previous company. You have to prove yourself all over again.

22. Pay attention to your image. How can you have an operation that's hygienic, sanitary and upbeat when you have a manager that looks like he or she just cleaned out a greasetrap?

23. Avoid getting caught in the middle. One of the real ways to get hurt in an organization is to find yourself caught between two bosses who have different objectives and who both want you to achieve those objectives. It's a no-win situation.

24. Don't be afraid to ask for help. If you're getting in over your head, be sure to ask for help. Most owners are more than willing to help new managers. But no one likes surprises.

25. Don't get lost. Don't be like many new managers and become a socially conscious social worker. That's a pitfall. You're not hired to solve the problems of the world. You're there to help make a profit, to help the business grow. ❑

This article was excerpted from a presentation by Donald Naught at the 1984 NRA Show. Naught is director of training and development for the Canteen Corporation in Chicago, IL.

VIEWPOINT

THE MENU OF THE FUTURE

by John Gruner

The menu is first and foremost a communication tool. In addition to supplying basic item and price information, it sets the tone and mood of an establishment. The menu is the medium used to carry the identity of the establishment to the customer. With the proliferation of various restaurant concepts flooding the market, the need for a menu to quickly and articulately communicate to the customer becomes increasingly important. Consumers must be able to tell from glancing at the menu whether the restaurant promises to fulfill their expectations.

Functional menu layouts and the use of up-to-date graphics are essential to restaurant image development and awareness. Column lengths that assure fast reading and minimum eye fatigue; colors that are coordinates of tabletops and/or other elements of the interior design; and typography that reinforces the character and personality of the restaurant must all work together to ensure that the menu communicates. Gaze motion principles (how the eye moves across the page) should be used as major guides for determining the optimum layout.

The descriptive language in menus is changing. Since the late 1970s when truth in menu laws were first enacted, the restaurant industry has become more aware of the consumer's demand for product information. In the future, it will become imperative for operators to pass on to customers their comprehensive knowledge of food and its preparation.

Superfluous communication will be filtered out. Even now, the correct names of products are being used more frequently; i.e., sirloin steak vs. Ranch Hander. Menus also provide factual information, such as size, grade, cooking method and any other significant characteristic that aids customers in making their choice. Chef's "secret" sauces and recipes are being replaced with the proper name of the item and/or its ingredients. Too much non-information turns customers off to the total message and results in a rejection or no purchase action.

Menus should reflect trends . . .

For most customers eating out has become an integral part of their lifestyles. Expectation levels will continue to escalate. As consumers continue to learn more about food selection and preparation, they will choose restaurants that coincide with their own level of sophistication.

Menus must reflect these needs by featuring up-to-date food offerings that capture the latest food trends. As trends change, so must menus. No longer will the same menu be used year after year with only changes in price. The constant demands on the operator to make changes will be staggering and will become a prerequisite for competing in a saturated market. Menus made up of insert sheets, which can be frequently changed, will increase in popularity. Many operators are already printing daily menus to attract customers who demand more variety and the freshest foods.

The spoken word or "personal selling" will play an even greater role to differentiate one item from another. When executed properly, the spoken word has more perceived value and can lend credibility to the written word. Extensive training in the skill of waiter/customer role-playing will be popular, as operations use more suggestive selling techniques along with the printed menu to gain a competitive edge.

Other mediums might include blackboards; display carts for house specialties; exhibition cooking and baking; and sampling. Devices which employ the use of all the senses will be used with greater frequency.

The menu must stand out . . .

As the restaurant industry moves into the latter half of the 1980s, menus will take on greater importance as a necessary tool for survival. The ability to "stand-out" from all the rest will be the primary objective. To be an effective tool, the menu must answer who, what, why, how and when. The experienced consumer of the '80s will demand to know at a glance *who* the restaurant is.

What the product offering consists of is determined by the restaurant's personality or position and the needs of the target market. The needs and expectations of the target market are constantly changing as exposure to new product offerings increases. It will be the job of the menu to recognize and offer those things that respond to the customer's needs or wants. The dynamics of the market is *why* the menu must serve as a lifestyle barometer in the interpretation, presentation and measurement of changing consumer demand.

How this will be done will be determined by the technology of the day. The potential of computers is just now being discovered, and information on consumer needs, trends and lifestyles have yet to be fully translated.

When should the menu process take place? The answer lies in understanding that the moment a restaurant is opened, it begins to lose its mystic. In order to prevent a premature death, the menu must constantly evolve to keep the concept in tune with changing times. ❑

John Gruner, president of John Gruner Solutions, Richmond, VA, was one of the judges for the 21st Great Menu Contest. Gruner also teaches NRA's menu development seminar.

TO YOUR HEALTH

FISH The heart food of the 80s

Already the most popular menu item in America's 100 richest, independent restaurants,* fish could very well be on the verge of becoming the heart food of the 1980s. Scientists have long recognized the beneficial effects that polyunsaturated fats, those in vegetables and fish, have in reducing the risks of heart disease. Yet, fish oils vary slightly in chemical composition from vegetable oils; and researchers are beginning to think that due to this variation the fats in fish are the most useful polyunsaturates in preventing heart disease.

The fats in shellfish, fin fish and marine mammals, technically known as omega-3 fatty acids, seem to work against heart disease

- *by lowering blood cholesterol levels more effectively than vegetable fats.* High levels increase the risk of heart disease.
- *by raising blood HDL levels.* HDL, commonly referred to as "good cholesterol," is suspected of preventing diseases of the heart and
- *by thinning the blood,* making it less likely to clot or build up on vessel walls. This effect reduces not only the incidence of heart attack but of stroke as well.

Low in calories . . .

Fish also is a perfect choice for calorie counters. Even the higher fat varieties, which have a better effect on lowering blood cholesterol, are low-cal. Salmon, for example, contains only 163 calories in a 3½-ounce portion.

The low carbohydrate content of fish contributes to its low caloric levels. Shellfish do contain some stored carbohydrate, glycogen, which makes

*according to a study by *Restaurants and Institutions* magazine

Poached trout "Chinese style"

Serves 2

1 bunch scallions (slivered 3″ pieces)
5 slices fresh ginger (thin match stick)
2 fresh trout, one-pound each with heads on
7 T. peanut oil
1 T. sesame oil
3-4 T. Chinese soy sauce (or to taste)

Fill a large pot (or fish poacher) with water to cover trout by one inch. Bring water to boil with a few scallions cut lengthwise (3″ pieces) and a few slices of ginger. Immerse cleaned trout (heads on) in seasoned water. Cover and reduce heat to a bare simmer and poach eight minutes. After four minutes, put oils into a small pan and heat. Remove trout. Place on platter. Cover each with slivered ginger, thin scallions; drizzle with hot oils. Pour soy sauce over.

—Courtesy of Chef Carol Server,
Troutdale Dining Room,
Troutdale, VA

Monkfish Stew— French Canadian

Serves 2 to 3

1 lb. monkfish fillet, cut into bite-size pieces
2 T. olive oil
3 shallots (or substitute the white part of a scallion and a little garlic)
½ cup white wine
½ cup Madeira
½ cup tomatoes, pureed
1-2 dashes of Tabasco
Salt and pepper to taste
Breadcrumbs, unflavored (optional)

Saute shallots in olive oil until transparent. Add fish and stir; then add wines, tomato puree, Tabasco and pepper. Simmer for about 20 minutes. Add bread crumbs for thickening if desired. Taste for seasoning. Add salt, pepper and Tabasco as desired.

—Courtesy of Virginia Institute
of Marine Sciences,
Gloucester Point, VA

Squid Salad

Serves 6

2 lbs. squid, cleaned
¼ cup dry white wine
Salt to taste
Fresh ground black pepper to taste
2 cloves garlic, peeled and minced
1 red hot cayenne pepper
2 bay leaves
6 sprigs fresh parsley
2 t. minced garlic
3 t. fresh lemon juice
1 t. tarragon vinegar
1 t. red wine vinegar
¼ cup olive oil
½ cup chopped onion
2 fresh basil leaves
¼ cup grated carrot
¼ cup tiny peas
¼ cup diced celery

Cut squid into rings ½″ wide. Cut tentacles into bite-size pieces. Put squid in saucepan. Add wine and water to cover; add salt, pepper, garlic, red pepper, bay leaves and parsley. Bring to boil, cover and cook for one minute. Drain and chill. Place squid in mixing bowl and add remaining ingredients. Toss and chill.

—Courtesy of Chef David Jordan,
Virginia Museum of Fine Arts,
Richmond, VA

scallops and shrimp taste so sweet.

Fish has an abundance of high-quality protein. As little as four ounces of most fish will supply half of the body's daily protein requirements. In addition to being an excellent source of protein, less space and feed are required to produce a pound of fish than an equal amount of poultry, pork or beef.

Fish, especially shellfish, generally have more minerals than meat. Although low in iron, fish contain iodine, a mineral lacking from inland foods. Except for canned salmon, which includes solubilized bones, fish resembles meat in its low calcium content. Though inhabitants of salt water, fin fish, scallops and shrimp are low in sodium and perfectly acceptable on low-salt diets. Other shellfish have more sodium and should be avoided by those restricting their salt intake. The vitamin content of fish is fairly limited to vitamins A and D.

Fish varies in flavor . . .

Fin fish, found in both fresh and salt water, vary in flavor depending on origin and fat content. Fish from warm, muddy water lack the flavor and quality of fish caught from deep, clear, colder water.

Another predictor of flavor is fat content. Unfortunately, many foods taste better the fatter they are. Fish is no exception. In fact, fat content is the basis of fin fish classification. Lean fish has less than five percent fat while fat fish contains five to 20 percent fat. Examples of the mild-tasting, lean fish include cod, haddock, sole, flounder and bass. Trout, salmon, mackerel and shad are a few of the more flavorful fat species, which are proving to be most effective in preventing heart diseases. The amount of fat a fish carries is dependent on the season. Some species are fattier in the summer and fall when they are feeding. Others, like shad, lose fat to their roe during springtime spawning.

The quality of your seafood can make or break your reputation. Fish is a highly perishable food and extra care must be taken to assure that customers are served a fresh product. When purchasing or preparing fresh fish, look for:

- Body—stiff, with tight scales, red gills, no slime
- Eyes—bright, protruding
- Flesh—firm, will not leave indentation upon touch unless previously frozen or stale and
- Odor—fresh, ocean-like.

For a free resource kit on seafood quality control, contact National Fisheries Institute, 111 E. Wacker Dr., Chicago, IL 60601, (312) 644-6610.

Outlook . . .

The outlook for the U.S. seafood supply is reassuringly good. The 1977 extension of the U.S. fishing zone has resulted in increased catches. In 1983, the total supply of fish products in the U.S. was a record 8.4 billion pounds. As the supply grows and diners become comfortable with seafood, their demands may become more sophisticated. Well over 10,000 species of fish exist but only 100 to 200 are commercially significant. Some of the so-called "underutilized" species are coming into vogue in various regions of the country. In New England, for example, The National Fisheries Institute cites monkfish, mako shark, dogfish and squid. The opportunity to experiment beyond scrod, halibut, shrimp and lobster certainly does exist.

—Claire Regan

Nutritive values of fish

Fish*	Percent protein	Percent fat	Calories	Cholesterol mg.	Sodium mg.
Lean Fin Fish					
Cod	17.4	0.5	74	21	90
Croaker	18.5	2.5	98	54	72
Flounder	18.1	1.4	88	48	121
Haddock	18.2	0.5	77	58	98
Halibut	18.7	4.3	119	47	156
Monkfish	20.3	0.8	88	19	180
Mullet	20.1	4.6	122	21	70
Sea Bass	19.1	1.6	90	55	67
Swordfish	19.4	4.4	118	60	102
Whiting	18.9	1.3	90	19	50
Fat Fin Fish					
Catfish	17.6	5.2	157	45	60
Mackerel	19.5	9.9	167	80	33
Rainbow Trout	20.7	6.8	154	48	52
Salmon	19.9	9.3	163	60	76
Shad, American	18.0	11.2	173	Not Available	54
Shellfish					
Clams	10.7	1.2	62	40	253
Crab	15.9	1.3	78	102	330
Lobster	17.6	1.4	85	60	296
Mussels	11.6	1.7	80	63	214
Oysters	10.3	1.6	75	50	386
Scallop	14.6	0.7	78	40	163
Shrimp	17.8	0.2	91	158	111
Squid	16.8	1.3	87	283	317

Source: National Marine Fisheries Service **3½ oz. raw, edible portion*

Fisher's Law #61

"Do I have the authority for that?"

Over the years I have had numerous opportunities to talk with and observe executives and managers in varying sizes of organizations. One of the most intriguing, yet troublesome, aspects of executing managerial responsibilities is delegating authority.

Many managers do not have a clear concept of *what* it is that they are delegating, and many organizational subordinates do not have a clear understanding of the *scope* of authority within which they are expected to operate. Consequently, managers may indicate to subordinates something in the vein of, "Don't keep coming to me with these kinds of things; I gave you the authority to handle it", or "Why didn't you check with me before you did that?"

On the other side, organizational subordinates may underperform and underachieve, acting too tentatively, because they are uncertain about the exact limits of their authority. Or they may exceed the bounds of authority (as perceived by the manager) so the manager feels compelled to "step in" and rectify matters. A lot of time and effort are devoted to these types of problems—time and effort that should be spent establishing a clear, exact understanding about *what* is being delegated in terms of *scope* of authority. This, of course, is the manager's responsibility. Let me illustrate, by example, the *degrees* of authority that can be delegated.

1. The subordinate as fact gatherer. Here the manager says, "I need information. You are to get it, arrange it in a logical or structured sequence and give it to me in summary form as well as complete detail. Go where you have to go; do what you have to do. Don't try to distill the facts, interrelate them, interpret them or construct tactics or strategy. Don't exceed X$$ in the expenditure of out-of-pocket resources." The manager, in this case, is delegating legwork and does not authorize *any* decision-making authority.

This approach can be successful when the manager has a pretty good sense of the situation and what he/she wants done and looks to the facts and information to confirm a "gut feeling." It will not develop the subordinate's decision-making perspective, but it does give the subordinate exposure to information gathering and in the allocation of resources up to a dollar limit. Administrative assistants, trainees and employees new to a given assignment can function well in this environment.

2. The subordinate as alternative developer. In this case, the manager tells the subordinate, "Get the facts; assemble them; develop alternative plans, tactics and strategies, including contingencies and cost factors, as appropriate. Give me your recommendation and be prepared to support it. I will challenge your thinking to insure broad consideration of all relevant factors on your part. I will make the final decision, which may be a modification or synthesis of the alternatives you presented to me."

This is the next higher level of delegation of authority. The manager reserves the right to the final decision, but the subordinate interconnects points, tactics and strategies into an overall plan and must defend it. The subordinate takes a greater degree of responsibility which can develop the subordinate's perspective and be a time-saver for the manager.

3. The subordinate as decision-maker, the manager as a resource. Here the manager says, "You have the authority to develop strategies and implement them, subject to the heretofore agreed-to mission statement and financial plan. As variances occur, you must manage your way through them. If a problem of significance arises, feel free to come to me, and I'll do everything I can to assist you. If you come to me early enough, I can be your counsellor; but if you come to me too late, I will be your critic. I am holding you accountable for the results."

This approach is best utilized in a decentralized decision-making structure where subordinates are close to matters at hand and where an experienced and steady hand is required on an ongoing basis. The subordinate has major decision-making authority but still has an "outlet," i.e., the manager, to whom he/she can turn if and when necessary or appropriate. The subordinate must have an excellent sense of the business flow, timing and significant events so as not to underutilize or overburden the manager as a resource.

4. The subordinate has total authority; the manager is notified only in a crisis. In this case, the manager says, "You are in charge. I don't want to be (or can't be) contacted unless it's an absolute emergency. I have full faith in you and have placed full authority in your hands."

This degree of delegation of authority is not usual. When it does occur, it's often on a temporary basis, such as when the manager is absent on vacation or recuperating. It's necessary to emphasize that the manager can *never delegate responsibility.* He/she delegates authority, which imposes a responsibility on a subordinate, but is not an abdication of responsibility on the part of the manager. In order to delegate total authority, the manager must have coached the subordinate well; and the subordinate must possess leadership qualities, a general life competence and specific operational competence.

In most large organizations, operating guidelines act as a road map for managers and subordinates. These spell out the different levels of authority, coordination and dollar limits ascribed to the various positions in hierarchical format. With all of this, however, questions of authority still arise such as "Do I have the authority for this? Do I have to coordinate with _____?" Fisher's 61st law won't *solve* this situation, but it may help *resolve* it.

"When delegating authority, spell out with precision what you are delegating, what you are not delegating, and what you expect as the result of the authority delegated. Then be prepared for questions!"

Diversity propels franchise restaurant sales to $38.7 billion in 1983

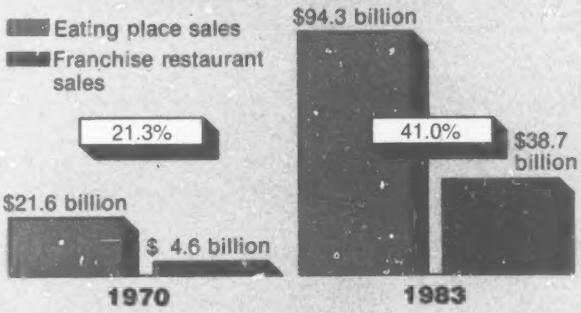
by Cecelia Niepold and Susan Adelman

Dining at franchise restaurants was once very predictable— hamburgers and french fries or fried chicken. Times have changed, and the lines dividing the segments have blurred. Today pancake chains heavily promote lunch and dinner as well as breakfast, and burger franchises offer chicken and pasta dishes. The franchising industry has grown up with its customers, responding to their maturing tastes and needs.

Demographic trends, such as the aging baby boomers and more working women in the workforce, have led to a general upscaling trend. Firms are redesigning decors and experimenting with a wide variety of menu items, ranging from down-home cooking to Cajun-style concepts. Convenience remains an important factor for many Americans, and firms are installing more drive-thru facilities, focusing on take-out options and offering more home delivery services.

Impressive unit growth (total units have more than doubled between 1970 and 1983) and increased market saturation have led to stiff competition in the franchise field. Consequently, expansion strategies have become more creative and diverse. Companies are stepping up advertising, adding new concepts and developing non-traditional and international sites to capture a larger piece of the market. Many companies have found that acquiring other concepts can be a cost effective and efficient way to broaden market penetration and tap additional market segments. This trend is leading to more and more multi-concept firms in the industry.

Franchise restaurants: Percentage of eating place sales*



** NRA eating place sales figures include only establishments with payroll and do not include food contractors.*

Sources: U.S. Department of Commerce, *Franchising in the Economy, 1983–1985*; NRA

Highlights

- **The franchise restaurant industry is thriving. In 1983, 67,528 units posted $38.7 billion in sales.**
- **Competition continues to intensify as firms battle for market share. Companies are responding by diversifying menus and concepts, developing non-traditional sites, acquiring additional concepts to boost market penetration and stepping up advertising expenditures.**
- **Restaurant franchising accounted for a whopping 41.0 percent of all eating place sales in 1983.**
- **Hamburger franchise firms continue to steal the show, capturing almost 50 cents out of every dollar spent at franchise restaurants and accounting for more than four out of 10 total franchise units.**
- **Sandwich franchise restaurants experienced the strongest sales gain in 1983—an impressive 34.0 percent jump. The segment, though growing quickly, still accounts for a fairly small proportion of total franchise sales—1.3 percent.**
- **Americans treated themselves to $1.6 billion worth of sweets at donut, ice cream and yogurt shops during 1983.**
- **Firms continue to expand around the world. Sixty-four U.S. firms operated 5,[illegible]6 international units in 1983—an 18.0 percent jump in units from the prior year.**

Even though franchising has become increasingly dominated by the giant firms, the small operator remains the heart and soul of the industry. Franchising still offers entrepreneurs the opportunity to start and develop their own business, often at a relatively low cost. And, often, the most successful new menu items or marketing strategies are created by the small franchisee, not the research and development department of a huge corporation.

In general, the franchise industry has adapted well to changing customer preferences and economic trends. The segment has evolved into a large and dynamic portion of the foodservice market. In 1983, franchise restaurant sales reached $38.7 billion—an impressive 41 percent of all eating place sales. In comparison, franchise restaurant sales accounted for only 21.3 percent of total eating place sales in 1970, an indication of the tremendous growth the sector has experienced in a relatively short period of time.

This article highlights the exciting trends in the franchise restaurant market and summarizes the recently released Department of Commerce study, *Franchising in the Economy, 1983-1985**.

The Commerce Department survey is conducted annually. It is the only study of its kind in the U.S. This year's report contains current information on 466 franchise restaurant companies operating 67,528 company-owned and franchisee-owned units.

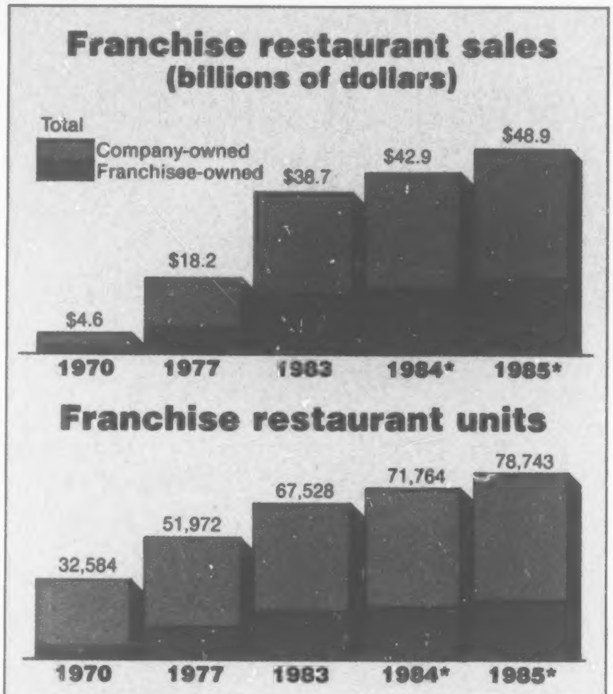
Sales and unit growth post impressive gains . . .

In 1983, franchise restaurants accounted for 9.2 percent of total franchise sales and 15.3 percent of all franchise establishments, making it one of the leading segments in the franchise system. Sales at franchise restaurants rose a substantial 14.8 percent to $38.7 billion, the strongest advance since 1979. Unit growth was up 6.2 percent in 1983, considerably above the 2.8 percent gain posted in 1982.

This impressive growth is a result of several factors. For instance, the improving economy helped increase unit sales and encouraged franchisors to open additional units. New firms entering the franchise market also contributed to the strong sales growth. During 1983, 18 new franchise firms entered the market, while 10 firms either abandoned franchising or went out of business. The net gain of eight new firms boosted the total number of franchising companies to 466 from 458.

According to the survey, which was completed in mid-1984, franchisors are optimistic about the future growth of this segment. The economy is expected to expand through 1984 and 1985, and franchisors are projecting that sales and unit growth will rise at a rapid rate. For 1984, sales were expected to reach $42.9 billion, an advance of 10.9 percent. Sales are projected to climb 14.0 percent in 1985 to $48.9 billion. Franchisors also expect healthy gains in unit expansion during 1984 and 1985—6.3 percent and 9.7 percent, respectively.

The National Restaurant Association also projects above average sales growth for 1984 and 1985. Total eating place sales, which include franchise restaurant sales, are estimated to increase 9.7 percent in 1984 and 8.6 percent in 1985.



Franchise restaurant sales (billions of dollars)

Franchise restaurant units

** Estimated by respondents*

Source: U.S. Department of Commerce, *Franchising in the Economy, 1983–1985*

Company-owned units post substantial gains . . .

Within the franchise restaurant category there are two sub-categories, franchisee-owned restaurants and company-owned restaurants. During 1983, sales gains in the company-owned segment advanced a whopping 21.2 percent to $14.2 billion, the strongest growth since 1977. Sales in the franchisee-owned segment reached $24.4 billion, advancing a healthy but more moderate 11.4 percent. The dramatic growth in the company-owned segment is most likely a result of the large number of new firms (18) entering the franchise market in 1983.

However, franchisors expect that the growth rate should soon even out. Sales by company-owned units are projected to advance 11.8 percent in 1984, just slightly higher than the 10.4 percent increase anticipated for franchisee-owned establishments. By 1985, franchisee-owned unit sales should jump out ahead and rise 14.6 percent to $30.9 billion, while company-owned store sales are forecast to climb a somewhat slower 12.9 percent to total $18.0 billion.

Company-owned units also grew at a faster pace than franchisee-owned outlets in 1983, which probably contributed to the category's strong sales growth. The total number of company-owned stores rose a hefty 9.7 percent in 1983, reaching 21,785 units. This is significantly above the 2.6 percent gain recorded in 1982. Franchisee-owned establishments grew at a slower 4.7 percent rate and totaled 45,743 units in 1983.

Franchisors predict that growth in the number of franchisee-owned units will outpace company-owned outlets during 1984 and 1985. In 1984, franchisee-owned units were expected to rise 6.6 percent versus a somewhat smaller 5.6 percent gain in company-owned units. This trend should continue through 1985, with the number of franchisee-owned establishments advancing 10.1 percent to 53,691 units, versus company-owned outlets increasing 8.9 percent to 25,052 units.

Large firms account for greatest share of sales and units . . .

Larger franchising firms continue to account for the greatest share of franchise restaurant industry sales and units. In 1983, there were 13 firms with 1,000 or more units, matching 1982's level. These multi-unit firms accounted for 57.6 percent of all franchise restaurant sales. Total sales reached $22.3 billion in 1983, up 14.7 percent from the year before. This group also accounts for the largest proportion of franchise restaurant units—51.9 percent.

The number of medium size franchising firms (501 to 1,000 units) reached 15 in 1983, a gain of one firm and the highest total since 1976. Sales for this group increased 8.7 percent and accounted for 13.1 percent of all franchise restaurant sales. There were 10,236 units in the group—15.3 percent of the total outlets.

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* The Department of Commerce survey was completed by 1,877 franchisors representing an estimated 99 percent of total franchise sales and establishments in the U.S. The results were compiled by Andrew Kostecka, Finance and Management Industries Division, Office of Service Industries, and published in the report, *Franchising in the Economy, 1983–1985*.

Sales and unit figures for 1983 and projections for 1984 and 1985 reported here are representative only of the 466 franchise restaurant firms surveyed in the most recent study and do not include any new or established firms that may have begun franchising in 1983 and any present firms going out of business or abandoning the franchise system.

Firms operating between 151 and 500 units made impressive gains during 1983. The number of firms in this segment increased 12.5 percent from 40 to 45. Sales jumped a substantial 26.0 percent and accounted for 15.3 percent of all franchise restaurant sales. The number of units also advanced significantly—13.8 percent.

Although the larger franchising firms account for the biggest share of total sales and units, smaller firms still represent a significant segment of the market. Firms with 50 or fewer units comprise a whopping 71.5 percent of all franchise restaurant companies. This indicates that the franchise industry continues to offer a wide range of opportunities for operators of small businesses. Among the small firms, there was a significant gain in the number of companies with 11 to 50 units—8.6 percent. This is probably the result of some of the very small firms (1 to 10 units) adding units and jumping into the 11 to 50 unit category.

Percentage of total franchise restaurant sales and firms by firm size (1983)

Percentage of total firms by firm size

Number of units	Number of firms	Percent of total firms
1001+	13	2.8%
501–1000	15	3.2%
151–500	45	9.6%
51–150	60	12.9%
11–50	189	40.6%
1–10	144	30.9%

Percentage of total sales by firm size

Number of units	Total sales	Percent of total sales
1001+	$22.3 billion	57.6%
501–1000	5.1 billion	13.1%
151–500	5.9 billion	15.3%
51–150	2.7 billion	7.0%
11–50	2.4 billion	6.1%
1–10	0.4 billion	0.9%

Source: U.S. Department of Commerce, *Franchising in the Economy, 1983–1985*

Types of franchise agreements issued in 1983

Number of firms	Firms that issued agreements	Term of Agreement (number of years) 1	3	5	10	15	20	25	Perpetual	Other
466	319	1	0	14	65	63	137	7	28	4

Source: U.S. Department of Commerce, *Franchising in the Economy, 1983–1985*

Primary type of service provided by franchise restaurant firms (1983)

	Number of firms offering self-service or drive-through	Number of firms waiter/waitress service
Chicken	32	2
Hamburger	93	5
Pizza	70	41
Mexican	24	15
Seafood	8	3
Pancake	0	12
Steak/full menu	18	93
Sandwich/other	46	4
Total	**291**	**175**

Source: U.S. Department of Commerce, *Franchising in the Economy, 1983–1985*

Franchise agreements issued . . .

Every franchise firm has a different system for issuing franchise agreements. The terms of each agreement can vary.

Of 319 agreements issued in 1983, more than four out of 10 (42.9 percent) were 20-year agreements. Next popular were 10 or 15-year agreements, accounting for 40.1 percent. Twenty-eight franchisees were issued perpetual agreements, and only 14 were issued five-year agreements.

Investment and start-up costs also varied widely. For instance, in 1983, the smallest investment for a company-owned unit was $10,000 and the highest was $2 million. The median investment was $350,000, up from $300,000 in 1982.

The smallest investment for a franchisee-owned operation was $15,000 and the highest was $1.6 million. The median cost was $230,000, down from $285,000 one year earlier.

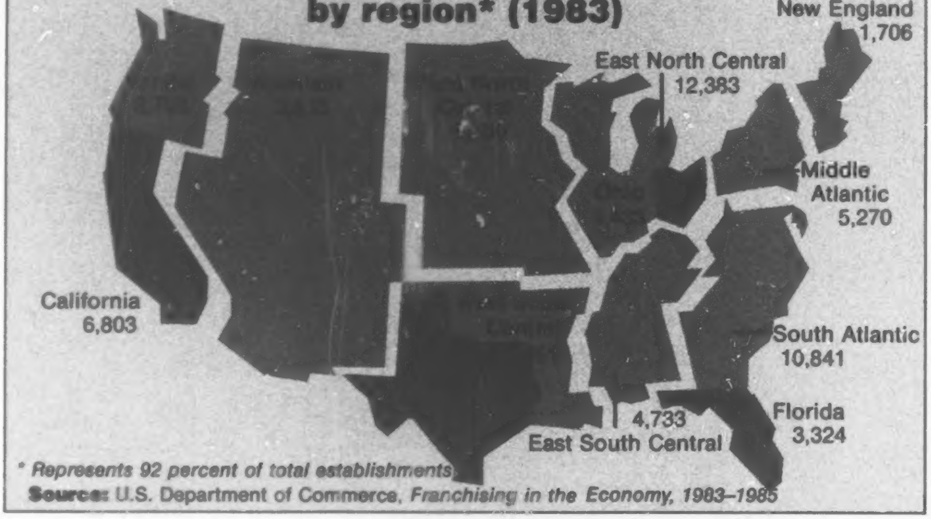
Start-up costs for franchisee-owned establishments ranged between $5,000 and $750,000. The median cost was $70,000.

Self-serve and drive-thru service popular . . .

Giving customers the type of service they want is an essential element of any franchise operation, large or small. Customer preferences vary and so do the types of service. Some franchisors offer self-service and drive-thru facilities while others provide tableservice.

Most franchise operations emphasize quick, efficient service and offer self-service or drive-thru facilities. In 1983, 291 firms provided this type of service, up from 278 in 1982. The majority of

Number of franchise restaurant establishments by region* (1983)



* Represents 92 percent of total establishments

Source: U.S. Department of Commerce, *Franchising in the Economy, 1983–1985*

firms offering these services were the more traditional hamburger, chicken, pizza and sandwich operations.

The number of firms featuring waiter/waitress service dropped from 180 in 1982 to 175 in 1983. More than half the restaurants providing tableservice were steak and full menu establishments.

Both types of service are common at pizza franchise restaurants. Seventy of these firms provided self-service or drive-thru facilities in 1983, and 41 companies offered tableservice. Pancake franchise restaurants, on the other hand, only offer waiter/waitress service.

Employment in franchise restaurants up 7.7 percent . . .

In 1983 almost two million people were employed by franchise restaurant firms—up 7.7 percent from 1982. According to the Department of Commerce study, franchise restaurants employ more people than any other segment in the franchise network, accounting for 38 percent of all franchise employment. In addition, 40 percent of all persons employed in eating and drinking places in the U.S. worked in franchise restaurants in 1983. This reflects the tremendous economic importance of this sector.

Pacific region records 8.5 percent growth . . .

The number of franchise restaurants increased most rapidly in the Pacific region during 1983, jumping 8.5 percent. Fueling this increase were impressive gains in California and Alaska, where the number of franchise restaurants grew 12.1 percent and 11.6 percent, respectively. The East North Central region accounted for the largest share of franchised units in 1983—18.3 percent.

The Middle Atlantic region experienced a small decline in franchise units—0.5 percent. New Jersey was the only Middle Atlantic state to post an increase in franchise units—1.2 percent.

Individually, several states recorded significant advances in total franchise units. Most notably, North Dakota (30.3 percent) and North Carolina (23.3 percent) reported substantial growth. Other states, such as California (12.1 percent), Mississippi (12.0 percent), Wyoming (11.9 percent) and Alaska (11.6 percent), also posted above average gains in the number of franchise outlets.

Among the states, California (6,803 units), Texas (5,792 units), Ohio (3,433 units) and Florida (3,324 units) reported the largest concentration of franchise outlets during 1983. Altogether, these four states accounted for almost a third of the reported franchise units in the U.S.

Percentage of franchise restaurant sales by restaurant type (1983)

Sales (billions)		Percent of total
[illegible]	Chicken	8.8%
[illegible]	Hamburger	49.0%
[illegible]	Pizza	12.0%
[illegible]	Mexican	4.4%
[illegible]	Seafood	2.4%
[illegible]	Pancake	2.2%
[illegible]	Steak/full menu	19.9%
[illegible]	Sandwich/other	1.3%

Percentage of franchise restaurant units by restaurant type (1983)

Number of units		Percent of total
[illegible]	Chicken	12.1%
[illegible]	Hamburger	41.9%
[illegible]	Pizza	17.6%
[illegible]	Mexican	5.1%
[illegible]	Seafood	3.4%
[illegible]	Pancake	2.3%
[illegible]	Steak/full menu	14.6%
[illegible]	Sandwich/other	3.0%

Source: U.S. Department of Commerce, *Franchising in the Economy, 1983–85*

An analysis of franchise restaurant types

Even though four firms dropped out of the hamburger, roast beef and hot dog franchise restaurant segment in 1983, the sector still dominated the franchise market. The segment captured 50 cents out of every dollar spent at franchise restaurants and accounted for four out of 10 franchise units.

Intense competition continues in the segment. Firms, determined to increase their market share, are expanding menus, experimenting with late night hours, stepping up advertising and developing more international and non-traditional sites. New locations include military bases, federal buildings, drug stores and mini-units in shopping centers and smaller towns.

Menu trends include a general upscaling—gourmet burgers, dinner platters and diverse salads. Certain items, such as chicken sandwiches and baked potatoes, have become almost as commonplace as cheeseburgers. An increased emphasis on breakfast has led to breakfast bars, croissants and omelet platters.

Competitive pressure will most likely increase in this segment as franchisors combat market saturation and growing competition from other franchise segments.

Percent sales change in hamburger vs. total franchise restaurants* (1981–1985)

	Hamburger franchises	Total franchise restaurants
1981	2.1%	7.8%
1982	17.7%	12.2%
1983	12.4%	14.8%
1984**	12.0%	10.9%
1985**	12.1%	14.0%

** Percent change from previous year*
*** Estimated by respondents*

Source: U.S. Department of Commerce, *Franchising in the Economy, 1983–1985*

Percent sales change in pizza vs. total franchise restaurants* (1981–1985)

	Pizza franchises	Total franchise restaurants
1981	29.0%	7.8%
1982	18.0%	12.2%
1983	24.3%	14.8%
1984**	12.3%	10.9%
1985**	16.2%	14.0%

** Percent change from previous year*
*** Estimated by respondents*

Source: U.S. Department of Commerce, *Franchising in the Economy, 1983–1985*

Summary: hamburger franchises

- Sales rose 12.4 percent in 1983—a significant increase but somewhat below the average gain recorded by all franchise restaurants—14.8 percent. Total sales reached $18.9 billion.
- There were 28,270 franchise hamburger units in 1983—3.6 percent more than in 1982. This moderate advance was the strongest growth, however, since 1979.
- Sales for company-owned units rose 18.1 percent to $5.3 billion in 1983, versus a smaller 10.3 percent rise to $13.6 billion recorded by franchisee-owned units. This is a sharp turnaround from 1982 when franchisee-owned unit sales jumped 20.4 percent and sales at company-owned outlets advanced a more moderate 10.8 percent.
- The gain in the number of company-owned units slightly outpaced franchisee-owned unit growth during 1983. Company-owned outlets totaled 6,378—a 4.6 percent increase from the prior year. The number of franchisee-owned units reached 21,892—up 3.3 percent.
- Franchisors expected sales to increase 12.0 percent to $21.2 billion in 1984 and project a 12.1 percent gain to $23.8 billion in 1985.
- Unit growth was expected to advance 4.2 percent in 1984 and then accelerate in 1985 with a stronger 7.4 percent gain.

Pizza posts impressive gains . . .

The pizza segment experienced strong growth in 1983, with five new franchise firms entering the field. The sector accounted for 17.6 percent of all franchise units.

Pizza franchisors are focusing on a wide variety of products and services, ranging from gourmet pizza to fast home delivery. To increase traffic, operators are serving smaller pizzas at lunch, and some are even experimenting with breakfast in a pizza crust. Other new products include pizzas with natural, low-calorie toppings and stuffed pizzas.

The segment posted the most impressive international growth in 1983. The number of pizza firms with overseas units jumped by 50 percent—from 10 to 15. As recently as 1980, only eight pizza firms operated international units.

Summary: pizza franchises

- Pizza franchise restaurant sales reached $4.6 billion in 1983, up 24.3 percent from 1982. This increase is substantially above the 18.0 percent advance posted in 1982 and is one of the strongest sales gains posted among the franchise restaurant segments in 1983.
- The number of units reached 11,852 in 1983—an 11.5 percent advance and significantly above the 9.6 percent gain posted in 1982.
- Company-owned unit sales out-performed franchisee-owned sales for the second year in a row. Company-owned sales rose 27.2 percent to $1.8 billion. In comparison, franchisee-owned unit sales experienced a 22.5 percent gain to $2.8 billion.

- The growth in company-owned units outpaced franchisee-owned outlets for the first time since 1976. The number of company-owned units jumped 11.9 percent to 4,140 operations. Franchisee-owned units increased at a slightly slower rate—11.3 percent—and totaled 7,712 outlets.
- Franchisors expected sales growth would slow somewhat and rise 12.3 percent to $5.2 billion in 1984. Sales are projected to pick up in 1985, increasing 16.2 percent to $6.1 billion.
- Unit growth was expected to moderate in 1984 and advance 10.5 percent to 13,093 units. In 1985, however, unit expansion is expected to boom, jumping 13.8 percent—the strongest gain since 1977.

Percent sales change in chicken vs. total franchise restaurants* (1981–1985)

	Chicken franchises	Total franchise restaurants
1981	3.6%	7.8%
1982	4.0%	12.2%
1983	16.0%	14.8%
1984**	16.1%	10.9%
1985**	18.7%	14.0%

** Percent sales change from previous year*
*** Estimated by respondents*
Source: U.S. Department of Commerce, *Franchising in the Economy, 1983–1985*

Percent sales change in Mexican vs. total franchise restaurants* (1981–1985)

	Mexican franchises	Total franchise restaurants
1981	21.8%	7.8%
1982	17.6%	12.2%
1983	33.7%	14.8%
1984**	12.3%	10.9%
1985**	16.1%	14.0%

** Percent sales change from previous year*
*** Estimated by respondents*
Source: U.S. Department of Commerce, *Franchising in the Economy, 1983–1985*

Chicken market soars . . .

The chicken franchise segment gained two new firms in 1983, bringing the total to 34. Sales jumped a strong 16 percent to $3.4 billion.

Once known for basic fried chicken entrees, chicken franchise restaurants are branching out in new directions with a wide variety of restaurant concepts. Chicken chains are also experimenting with specialty items such as spicy rice, fried zucchini and biscuit sandwiches.

The future looks bright for the chicken market. Consumers' perception of chicken as a nutritional entree will help maintain growth, and strong regional chains should help boost sales and expansion. Competition, however, will probably increase as firms battle for market share.

Summary: chicken franchises

- Chicken franchise restaurant sales jumped substantially in 1983—16.0 percent—totaling $3.4 billion. This was the largest increase since 1980 and was significantly above the modest four percent gain posted in 1982.
- The number of units advanced at a more moderate pace—4.8 percent—reaching 8,147 outlets. This increase approximates the 4.7 percent gain in 1982.
- Company-owned unit sales advanced 16.5 percent to $1.3 billion, equaling 1982's growth rate. Franchisee-owned sales increased 15.6 percent to $2.1 billion. This reverses the declines experienced in 1982 and 1981.
- The number of company-owned units increased 8.9 percent in 1983, reaching 2,821 units. This was a drop from the strong 15.2 percent gain posted in 1982. On the other hand, franchisee-owned units advanced 2.8 percent to 5,326 outlets. Although less substantial than the increase in company-owned units, the 1983 gain in franchisee-owned units was an improvement over the slight 0.8 percent increase recorded by the category in 1982.
- Franchisors expected overall sales in the chicken franchise segment would rise 16.1 percent in 1984 and then jump 18.7 percent in 1985, totaling $4.7 billion.
- Unit growth was projected to increase 11.0 percent in 1984, and another 11.6 percent gain is expected in 1985 for a total of 10,087 units.

Mexican growth is still hot . . .

In 1983, the number of Mexican franchise restaurant firms jumped from 33 to 39—the largest increase among the franchise segments. Sales rose a substantial 33.7 percent, second only to sandwich franchises' sales gain.

Although national expansion in the Mexican market continues at a fairly rapid pace, most firms are still regional companies competing with smaller independent operations. Concepts are diversified, ranging from upscale to quick service. New marketing strategies in this segment include "express" lunch operations.

International expansion also continues at a strong clip—the number of foreign units has more than tripled since 1980.

Summary: Mexican franchises

- Sales for Mexican franchise restaurants rose 33.7 percent to $1.7 billion in 1983. This is the strongest growth rate since 1977 when sales jumped 60.1 percent.
- Unit growth also increased substantially—13.4 percent—totaling 3,469 units. This was significantly above the modest 1.9 percent gain recorded in 1982.
- Sales for company-owned and franchisee-owned units increased at a similar rate. Company-owned sales rose 34.2 percent to $865 million, while franchisee-owned sales advanced 33.1 percent to $816 million.
- Unit expansion for franchisee-owned outlets out-

paced company-owned stores, however. The number of franchisee-owned units jumped 16.3 percent, reversing a 1.3 percent decline one year earlier. Total company-owned units rose 9.9 percent, reaching 1,538 outlets.

- Franchisors expect somewhat more moderate growth in the future. Sales were projected to rise 12.3 percent in 1984. A further 16.1 percent increase is predicted for 1985, bringing the total to $2.2 billion.
- Unit growth projections are 8.6 percent for 1984 and 12.3 percent for 1985. By 1985, franchisors expect to have 4,228 units in operation.

Seafood slows . . .

Correcting mis-reported information in last year's franchise report, sales in the seafood sector reached $909 million in 1982, up a slight 2.3 percent. This is significantly less than the 54.5 percent gain to $1.4 billion that was originally reported.

Sales remained sluggish during 1983, rising a modest 3.2 percent. Three firms dropped out of the segment, which may have contributed to the small sales gain.

To boost sales and traffic, several franchisors have embarked on extensive remodeling and menu expansion programs. Firms are updating decors and adding more broiled and baked items as well as additional non-seafood entrees.

Franchisors expect brighter days ahead and project unit expansion and sales will increase substantially in 1984 and 1985. Franchisors hope to capitalize on consumer interest in seafood as a nutritional, healthy menu item to help boost sales.

Percent sales change in seafood vs. total franchise restaurants*
(1981–1985)

	Seafood franchises	Total franchise restaurants
1981	13.1%	7.8%
1982	2.3%	12.2%
1983	3.2%	14.8%
1984**	14.3%	10.9%
1985**	16.2%	14.0%

** Percent sales change from previous year*
*** Estimated by respondents*
Source: U.S. Department of Commerce, *Franchising in the Economy, 1983–1985*

Percent sales change in steak/full menu vs. total franchise restaurants*
(1981–1985)

	Steak/full menu franchises	Total franchise restaurants
1981	10.6%	7.8%
1982	2.2%	12.2%
1983	15.0%	14.8%
1984**	4.1%	10.9%
1985**	13.9%	14.0%

** Percent sales change from previous year*
*** Estimated by respondents*
Source: U.S. Department of Commerce, *Franchising in the Economy, 1983–1985*

Summary:
seafood franchises

- Sales totaled $938 million in 1983, up a moderate 3.2 percent. This is above 1982's 2.3 percent gain, but is one of the smallest increases among the franchise restaurant segments during 1983.
- Unit growth was up four percent, reversing 1982's 0.2 percent decline. Total units reached 2,309 in 1983.
- Franchisee-owned sales rose 3.6 percent to $405 million, slightly outpacing the 2.8 percent gain posted by company-owned units. The franchisee-owned sales increase reversed a 4.4 percent decline one year earlier. On the other hand, the 1983 company-owned sales gain was less than the 8.0 percent advance posted in 1982.
- Unit growth at franchisee-owned outlets advanced four percent to 1,112 units, reversing a drop in total units during 1982. The number of company-owned outlets increased 3.9 percent to 1,197, significantly above the slight 0.1 percent growth in 1982.
- Franchisors are optimistic about future growth in the segment. Sales were expected to advance 14.3 percent in 1984 and then jump 16.2 percent during 1985. By year's end, sales are forecast to top $1.2 billion.
- Unit expansion was expected to advance 7.3 percent in 1984 and should increase 8.4 percent in 1985—the strongest gains since 1977.

Steak/full menu sales up . . .

Things are looking up for the steak/full menu category, which experienced above average growth in 1983. An improving economy helped the segment reverse the slow sales and drop in total units posted in 1982. Increasingly optimistic consumers are trading up and dining out more frequently, boosting sales in this sector.

Chains are expanding traditional beef-oriented menus and adding salad bars, ethnic specialties and lighter entrees. Special breakfast and lunch promotions are encouraging additional traffic. In response to customers' "grazing" tendencies, firms have added a variety of appetizers. New decors, more contemporary and sophisticated, are contributing to the new image.

Summary:
steak/full menu franchises

- Sales advanced 15.0 percent in 1983 to $7.7 billion—a dramatic increase from the 2.2 percent gain posted one year earlier.
- Unit growth rose 7.8 percent, reversing a 2.9 percent decline in 1982. The total number of units reached 9,849 in 1983.
- Company-owned unit sales outperformed franchisee-owned sales. Company-owned sales jumped 26.8 percent to $4.1 billion, a significant upturn from the 2.5 percent decline in 1982. Franchisee-owned sales rose a moderate 4.1 percent to $3.6 billion, down somewhat from the 6.9 percent gain posted one year earlier.
- Unit expansion at com-

pany-owned units also stole the show. The number of company-owned units jumped 19.2 percent to 4,794 units. This compares with a 1.2 percent decline in franchisee-owned units, which totaled 5,055 in 1983.

- Franchisors expected sales would slow somewhat in 1984, rising a moderate 4.1 percent to $8.0 billion. But the projections are brighter for 1985; sales are forecast to climb 13.9 percent to $9.2 billion.
- Unit growth was also expected to slow in 1984 and increase a slight 0.8 percent. Expansion should pick up in 1985, with total units advancing 6.7 percent to 10,589 outlets.

Pancake sales drop . . .

Both sales and unit growth dropped in the pancake franchise market in 1983. Most of this decline was due to the number of pancake firms dropping from 15 to 12 during 1983. Another factor contributing to the slowdown may be the increased breakfast competition from other chains.

In response, pancake firms are putting increased emphasis on lunch and dinner menus, marketing their concepts as three-meal restaurants. Chains are also adding lighter entrees and experimenting with new decors to attract a wider customer base.

Summary:
pancake franchises

- Pancake franchise restaurant sales dropped 6.2 percent in 1983 to $838 million—the slowest performance among the franchise restaurant segments. This reverses 1982's positive 5.4 percent sales growth. Most of this significant decline is due to the sharp drop in pancake firms during 1983.

Percent sales change in pancake vs. total franchise restaurants*
(1981–1985)

	Pancake franchises	Total franchise restaurants
1981	8.0%	7.8%
1982	5.4%	12.2%
1983	−6.2%	14.8%
1984**	10.1%	10.9%
1985**	8.2%	14.0%

** Percent sales change from previous year*
*** Estimated by respondents*
Source: U.S. Department of Commerce, *Franchising in the Economy, 1983–1985*

Percent sales change in sandwich vs. total franchise restaurants*
(1981–1985)

	Sandwich franchises	Total franchise restaurants
1981	27.9%	7.8%
1982	10.5%	12.2%
1983	34.0%	14.8%
1984**	18.9%	10.9%
1985**	29.6%	14.0%

** Percent sales change from previous year*
*** Estimated by respondents*
Source: U.S. Department of Commerce, *Franchising in the Economy, 1983–1985*

- The number of total units also declined, dropping 5.3 percent to 1,558 outlets and reversing 1982's strong 9.7 percent unit growth.
- Sales at franchisee-owned units led the decrease, dropping 6.8 percent to $574 million. Company-owned sales also declined, decreasing 4.9 percent to $264 million.
- Unit expansion at company-owned outlets dropped 5.4 percent and totaled 488 units in 1983. The number of franchisee-owned outlets reached 1,070—a 5.2 percent decline.
- Pancake franchisors expect brighter days ahead. Sales were predicted to increase 10.1 percent in 1984 and 8.2 percent in 1985. By year's end, sales are projected to reach $999 million.
- Unit expansion was expected to rise 3.9 percent in 1984 and should increase 6.5 percent in 1985 to 1,725 units.

Sandwich segment posts strongest growth . . .

Sales and unit growth soared in the sandwich segment in 1983, outperforming all other franchise sectors. Four new firms entered the sandwich market, which contributed to the impressive gains.

Other factors, such as low start-up and labor costs, have helped boost growth. Also, sandwich restaurants are among the most adaptable restaurant operations, easily thriving in a variety of locations.

Firms have developed a large number of signature items, ranging from thick subs to over-stuffed sandwiches. Some chains are marketing freshly baked bread products and even installing gourmet food shops.

Summary:
sandwich franchises

- Sales jumped 34.0 percent to $502 million in 1983—the strongest gain among the franchise restaurant segments. This is a substantial advance from the 10.5 percent increase posted in 1982.
- Unit expansion jumped 14.6 percent to 2,074 outlets—again, the most impressive performance among the franchise restaurant categories.
- Company-owned sales led the increase with a dramatic 44.1 percent advance to $93 million. Sales at franchisee-owned units also jumped, rising 31.9 percent to $409 million.
- The number of franchisee-owned units rose 15.0 percent to 1,645 outlets in 1983. In comparison, company-owned unit growth advanced 13.2 percent to 429 operations.
- Franchisors expect sales growth will continue in this segment but should moderate slightly. Sales are projected to have advanced 18.9 percent to $598 million in 1984 and should jump 29.6 percent to $774 million in 1985.
- Unit expansion is expected to maintain its momentum, rising 15.2 percent in 1984 and 21.0 percent in 1985. By 1985, franchisors expect to have 2,890 units in operation.

Franchise ice cream/yogurt store and donut shop sales total $1.6 billion

Franchise ice cream/yogurt store and donut shop sales totaled $1.6 billion in 1983, making them a significant segment of the foodservice industry. Because these establishments are classified as "food retailers other than convenience stores" by the U.S. Department of Commerce in its *Franchising in the Economy, 1983-1985* study, their sales are not included in the $38.7 billion figure reported for franchise restaurants in 1983. If they were included, franchise restaurant sales would reach $40.3 billion and would account for 42.8 percent of eating place sales.

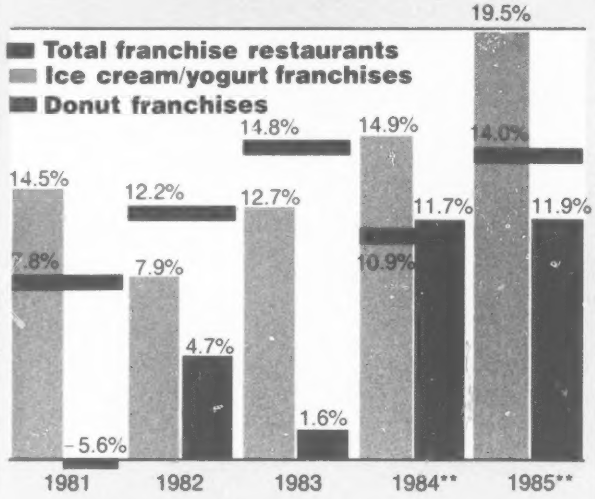
Ice cream and yogurt stores post $965 million in sales . . .

Americans have a passion for ice cream, and an increasing number of franchise firms are capitalizing on this craze. Fourteen new firms entered the ice cream/yogurt market in 1983, indicating the growing popularity of the segment. Americans can now treat themselves to an incredible variety of products, such as non-dairy sweets, tofutti and frozen yogurt. Exotic flavors and a wide range of "mixed-in" items are making ice cream shops more tempting than ever. To further boost sales, several firms are now marketing their products in grocery stores.

Summary: ice cream and yogurt shops

- Sales for ice cream and yogurt franchises rose a considerable 12.7 percent in 1983, reaching $965 million. This is well above the 7.9 percent gain in 1982.

Percent sales change in donut & ice cream/yogurt vs. total franchise restaurants* (1981–1985)



** Percent sales change from previous year*
*** Estimated by respondents*

Source: U.S. Department of Commerce, *Franchising in the Economy, 1983–1985*

- Unit growth advanced an impressive 14 percent to 6,322 units, up substantially from 1982's gain of 2.2 percent. Fourteen new firms entered the market in 1983, bringing the total to 45 companies.
- Sales at company-owned operations reached $61 million in 1983, a substantial 18.6 percent advance. Franchisee-owned unit sales rose a somewhat slower 12.3 percent and totaled $904 million. This is a significant gain from 1982 when franchisee-owned sales advanced 4.7 percent.
- The number of company-owned outlets totaled 186 in 1983, compared with 163 units one year earlier—a gain of 14.1 percent. Franchisee-owned units grew at a similar 14 percent rate, reaching 6,136 outlets. This is considerably above the 1.7 percent advance recorded for franchisee-owned units in 1982.
- Franchisors expect sales to continue to increase at a rapid pace through 1985. In 1984, sales were forecast to reach $1.1 billion, up 14.9 percent from 1985. A stronger 19.5 percent increase is expected for 1985, and sales should total $1.3 billion.
- Unit growth should also increase at impressive rates in 1984 and 1985. During 1984, the total number of ice cream and yogurt franchise outlets should have reached 7,265 units, up 14.9 percent. The number of units is forecast to total 8,755 by 1985, a significant 20.5 percent advance.

Donut sales slow . . .

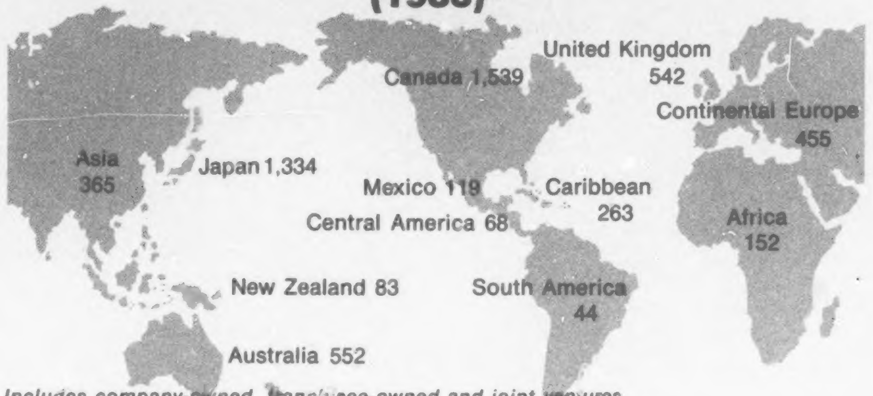
Increased breakfast competition from other major chains may have contributed to slow growth in the donut segment. Franchisors have added a variety of new items to help boost traffic—croissants, muffins and even deli-type sandwiches.

Summary: Donut franchises

- Donut franchise sales reached $691 million in 1983, a slight 1.6 percent increase. This compares with a somewhat stronger 4.7 percent gain in 1982.
- The total number of units totaled 2,177, down two percent from the prior year. This decline probably reflects the fact that one firm dropped out of the donut franchise market.
- Sales at company-owned units grew a modest 0.3 percent in 1983 to $89 million. Franchisee-owned outlet sales advanced a faster 1.8 percent, reaching $602 million.
- Unit growth at company-owned outlets fell 4.4 percent, while total franchisee-owned units declined a smaller 1.7 percent.
- Franchisors expect unit sales to pick up in 1984 and 1985. Sales should have reached $772 million by 1984, a gain of 11.7 percent. By 1985, sales at donut franchise shops are predicted to total $863 million—an 11.9 percent increase.
- The number of donut franchise units should have advanced 6.7 percent in 1984 and is expected to jump a more significant 9.5 percent in 1985, totaling 2,543 units.

International marketplace offers expansion opportunities

Top 12 International franchise markets (1983)*



* Includes company-owned, franchisee-owned and joint ventures

Source: U.S. Department of Commerce, *Franchising in the Economy, 1983–85*

Each year an increasing number of American franchise restaurant firms venture into the international marketplace. These firms have discovered that this relatively untapped market offers vast opportunities for franchisors looking to expand their operations. The influx of American firms into foreign markets should continue as more franchisors take advantage of the growth potential these markets provide. However, they will be faced with increased competition from local firms and other international companies.

Sixty-four franchise restaurant firms operated units outside the U.S. in 1983, and seven of these firms entered the international franchise market for the first time, according to the Department of Commerce study, *Franchising in the Economy, 1983-1985*. This helped boost the total number of American franchise units throughout the world to 5,516, up 18 percent from 1982.

Canada had 1,539 U.S. franchise outlets in 1983, more than any other foreign market. This was a hefty 31.3 percent increase above 1982's total units. Japan, with 1,334 units, had the second largest concentration of outlets in 1983, up six percent over 1982. Next was Australia with 552 units, followed by the United Kingdom with 542 units and continental Europe with 455 outlets. The largest increase in U.S. franchise restaurants occurred in Central America, where total units climbed a whopping 51.1 percent from 45 units in 1982 to 68 establishments in 1983.

Hamburger firms dominate market . . .

Hamburger franchise restaurants accounted for more than half of all international franchise units in 1983. Fourteen firms operated hamburger franchise outlets throughout the world in 1983—the same number as one year earlier. However, the number of franchise units advanced an impressive 19 percent to 2,811.

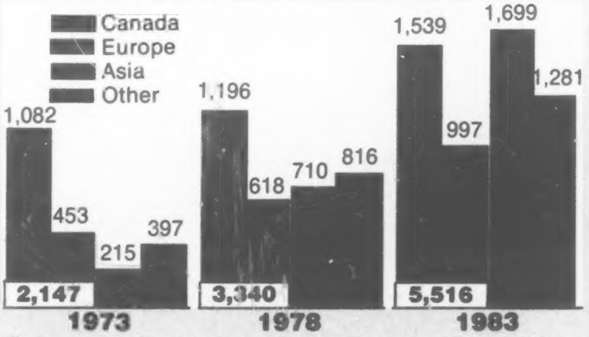
Canada had more hamburger franchise outlets than any other international market in 1983—1,149 units. Japan, with 596 units, had the second highest number of hamburger franchise units. The greatest expansion occurred in South America, where the number of units skyrocketed 52.4 percent from 21 units in 1982 to 32 units in 1983. In addition, substantial gains were made in Central America, where the number of units advanced 50 percent, and in areas of Asia other than Japan where unit expansion grew 42.3 percent.

Chicken franchise restaurants still on top in six international markets . . .

Chicken franchise restaurants continue to remain popular in foreign markets. In fact chicken franchises held the largest share of total franchise restaurants in six of the 12 reported international markets. In Africa, for example, chicken franchises represented 94.7 percent of all franchise restaurant types, and in the United Kingdom they accounted for 68.1 percent. Other markets in which chicken franchise restaurants ranked number one include: Mexico, New Zealand, the Caribbean and Australia.

During 1983, seven firms operated chicken franchise outlets in foreign markets—one more than in 1982. The total number of chicken franchise units reached 1,621, up 9.3 percent from one year earlier. In Japan, 436 units were in operation, more than in any other foreign market. However, the greatest gain was made in Canada, where the number of units almost tripled, ris-

Growth in international franchise restaurant units



Source: U.S. Department of Commerce, *Franchising in the Economy, 1983–1985* ing from 13 units to 38 units.

Number of pizza franchise restaurants on the rise . . .

Five new firms entered the international pizza market in 1983, bringing the total number of firms to 15. These firms operated 498 units, a 21.5 percent jump from 1982. Australia led the other international franchise markets with the most pizza outlets—127. The next highest concentration of pizza outlets was in Canada, which reported 87 units.

Percent change in international franchise restaurant units by restaurant type (1982–1983)

Restaurant type	Total units (1983)	Percent change (1982–1983)
Chicken	1,621	9.3%
Hamburgers	2,811	19.0%
Pizza	498	21.5%
Mexican	83	59.6%
Seafood	18	150.0%
Pancakes	12	−14.3%
Steak/full menu	470	37.4%
Sandwich/other	3	300.0%
Total	**5,516**	**18.0%**

Source: U.S. Department of Commerce, *Franchising in the Economy, 1983–1985*

Several foreign markets boasted impressive gains in the total number of pizza franchise units. Continental Europe, for example, experienced an overwhelming 580 percent increase in pizza franchise outlets. Total units rose from five in 1982 to 38 in 1983. In Central America the number of pizza franchise outlets more than doubled, from nine to 20 in 1983. Additionally, the United Kingdom witnessed the opening of its first three pizza franchise units during 1983. Japan, on the other hand, recorded a 40.1 percent decline in overall pizza franchise units.

Mexican franchise restaurants grow at rapid pace . . .

During 1983, Mexican franchise units also grew at a rapid pace in the international market. Eighty-three Mexican franchise units were in operation in 1983 versus 52 outlets in 1982, a jump of 59.6 percent. The number of Mexican franchise firms grew from six to seven in 1983, which helped boost the total number of units and reversed the 13.3 percent decline in Mexican outlets posted in 1982.

Unit growth increased a substantial 96.8 percent in Canada, where the number of Mexican franchise outlets jumped from 31 to 61 in 1983. In addition, in both South America and areas of Asia other than Japan, a Mexican franchise restaurant opened for the first time. However, in Australia, the number of Mexican restaurants dropped from four in 1982 to two in 1983.

Number of seafood franchise restaurants up . . .

The number of seafood franchise restaurants outside the U.S. grew by half in 1983, from 12 to 18 outlets. This increase reflects the addition of six seafood franchise units in areas of Asia other than Japan and brings the total number of seafood franchise restaurants in this area to seven. Three seafood franchise firms operated foreign units in 1983—the same number as in 1982.

Despite fewer firms, number of steak/full menu units on the rise . . .

Although the number of firms operating steak/full menu franchises in international markets fell from 16 to 14 in 1983, the total number of units in this category rose 37.4 percent to 470. Japan, with 237 units, had the largest concentration of steak/full menu franchise units, up from 205 in 1982. Canada also had a high concentration of units in 1983—192 outlets compared with a considerably lower 100 units one year earlier. This total still falls short of the 197 steak/full menu franchise units operating in Canada during 1981. Mexico had a total of 20 steak/full menu units—the same as in 1982—and Australia reported 10 outlets, up from seven the year before.

Pancake franchise units fall off . . .

Although two firms continued to operate pancake franchise units outside the U.S., the number of pancake units fell from 14 in 1982 to 12 in 1983. In Canada, the number of pancake units dropped from seven to three, contributing to the overall decline in pancake franchise outlets. However, the number of pancake units is expanding in Asia. In 1983, Japan had eight units, one more than in 1982, and the first pancake franchise establishment opened in an area of Asia other than Japan.

Sandwich franchise firms enter market for first time since 1981 . . .

Two sandwich franchise firms ventured into the international market during 1983. One firm operated two units in 1981 but dropped out of the segment in 1982. The two new firms opened three units in Canada.

Statistical appendix available

The National Restaurant Association has compiled an in-depth report of the franchise restaurant industry, based on data from the Commerce Department survey. This informative tool, *Franchise Restaurants: A Statistical Appendix to Foodservice Trends*, summarizes information from 1969 to 1985.

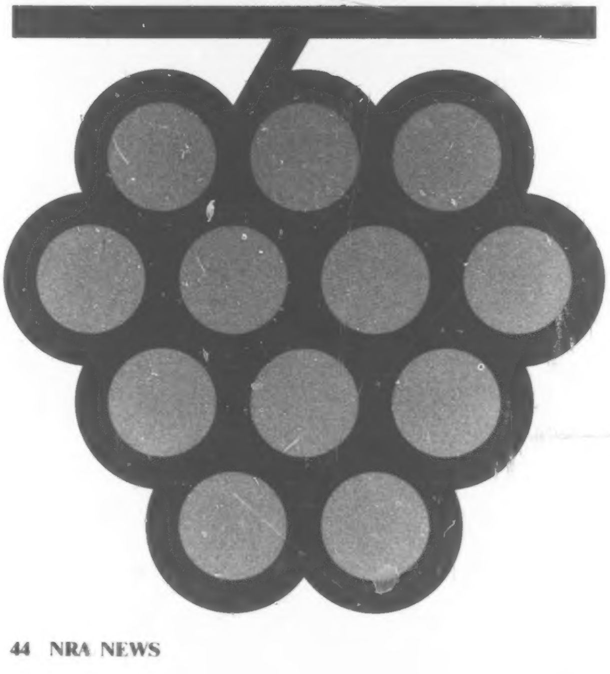
The cost to NRA members is $12.50 (plus $2 shipping and handling). The cost to non-members is $25.00 (plus $2.50 shipping and handling). Residents of Washington, DC, and Illinois must add a six percent sales tax. Chicago, IL, residents must add an additional one percent sales tax, bringing their sales tax total to seven percent.

To order, contact the National Restaurant Association, 311 First St., N.W., Washington, DC 20001 or call (800) 424-5156 or (202) 638-6100. *Payment must accompany all orders*. Credit and telephone orders are accepted. Please specify number CS207 when placing your order.

NRA to feature first WINE CLASSIC

In keeping with its custom of originating traditions, the National Restaurant Association will introduce the first NRA Wine Classic at the 66th NRA Restaurant, Hotel-Motel Show to be held at McCormick Place, Chicago, IL, May 18-22, 1985. The NRA Wine Classic is the first national wine competition to be sponsored by the hospitality industry.

"The NRA Wine Classic will be the granddaddy of all wine classics," predicts NRA Vice President Ted Balestreri who will serve as chairman of the event.



"NRA has always taken a lead in setting trends throughout the industry. At the 1985 Show, we will again be first in line in our recognition of the finest in American wines."

The NRA Wine Classic is the newest addition to the traditional schedule of exhibitions, seminars, banquets and special events—all of which combined will make the 1985 NRA Show the most spectacular ever. Last year more than 88,000 industry representatives from all corners of the globe attended what is known as the "Show of Shows," the largest foodservice and lodging exhibition in the world. The 1985 Show promises to set new attendance records with the addition of the NRA Wine Classic.

"The introduction of this event at the Show is in direct response to a trend throughout the hospitality industry," says Balestreri. He says that operators of both fine dining and mid-scale establishments are recognizing the complementary relationship between wines and food.

The NRA Wine Classic will be held at the Lindheimer Ballroom of McCormick Place on Monday and Tuesday, May 20 and 21. Hundreds of wines will be represented from all regions of the country.

A blue ribbon panel of judges has been assembled, which includes the chairmen of world-renowned wine competitions, professional wine judges and respected restaurateurs and sommeliers from across the country.

Perhaps the most extraordinary aspect of this event—certainly another "first"—is that Show attendees will actually get a firsthand look at the judging as it is in progress. The judging area, properly enclosed and equipped for professional tasting, has been specially constructed so attendees can observe the judges as they evaluate the competing wines. This is the first time a major wine competition has been opened to spectators.

Additionally, guides will be on hand to explain the competition and provide information about the wine industry. Attendees will walk through a wine exhibit that will focus on the wines being featured. They will watch an educational video featuring wine experts offering wine-tasting tips. And finally, they will have an opportunity to taste and compare this selection of the finest wines in America.

David Armanasco of Durney Vineyards (Carmel, CA) will serve as chairman of the judges for the event. "We're very excited about the 'viewer participation' aspect of the event," he says. "Unquestionably, the NRA Wine Classic is breaking new ground."

Armanasco says that only two wine varietals, Pinot Noir (red) and Chardonnay (white), will be tasted at the event. By limiting the tasting to two varietals, the format will be easily understood by all who attend and will be just a bit different from the customary wine tasting format. According to Armanasco, Chardonnay was chosen because it is "a noble wine, a wine that is becoming increasingly popular as a dinner accompaniment in America." He says the Pinot Noir varietal was chosen because it is lesser known and because it marries well with the Chardonnay.

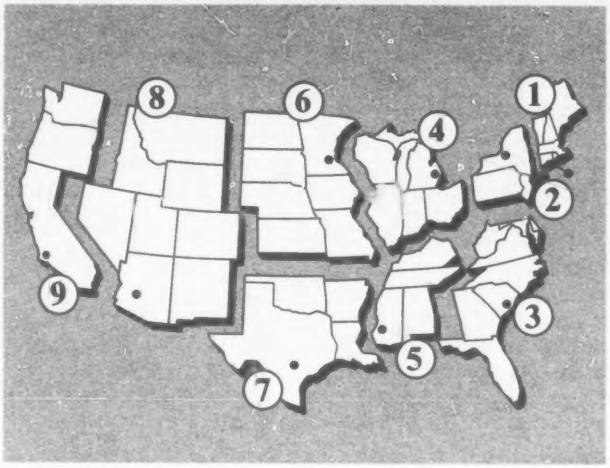
Gold, silver and bronze medals will be awarded at a special luncheon on May 22. Says Balestreri, "These medals will signify new standards of quality throughout the hospitality industry. The NRA Wine Classic establishes a new tradition in excellence."

—Anne Papa

How's business?

by Cecelia Niepold

This month's interviews illustrate the incredible variety of franchise operations across the country.



1

NORTHEAST

Location: Bridgeport, CT
NRA member: J. George Friede
Operation: Seaward Management Corporation
Profile: Kentucky Fried Chicken franchisee with 6 units
In business: 9 years
Seats: 40, average
Meals served: Lunch, dinner

Business has been good, better than last year, says **J. George Friede,** president of Seaward Management Corporation—a company with six Kentucky Fried Chicken units clustered in the Connecticut area.

Friede entered the franchise business because he believed it offered a good growth opportunity, and he hasn't changed his mind.

Upcoming plans include modernizing his units—updating decors, adding new seating and even new roofs. Seaward recently introduced Kentucky Fried Nuggets and is contemplating adding other innovative chicken-based items.

2

MIDDLE ATLANTIC

Location: Buffalo, NY
NRA member: Thomas Lawless
Operation: Resser Management Inc.
Profile: Burger King franchisee with 28 units
In business: 6 years
Seats: 45, average
Meals served: Breakfast, lunch, dinner

Record-breaking cold temperatures dampened business in January and early February, but business was very good through December, says **Thomas Lawless,** executive assistant at Resser Management Inc.—a Burger King franchisee with 28 units in the metropolitan Buffalo area.

To increase traffic during the first quarter when the weather is cold, the company puts more emphasis on price/value promotions.

Lawless believes the advantages of being a franchisee include name recognition, product consistency, development opportunities and systematized controls. The only major disadvantage is limited flexibility. Resser Management Inc., however, has grown quickly, and four new stores are on the drawing board.

3

SOUTH ATLANTIC

Location: Charleston, SC
NRA member: Harold Coats
Operation: PO Folks Restaurant
Profile: PO Folks franchisee with 4 units
In business: 2 years
Seats: 150, average
Meals served: Lunch, dinner

"Business has dropped a little, but it seems to be a slow time of year for most everyone," says **Mike Stathas,** manager of one of PO Folks Restaurant's four franchised restaurants in the Charleston area.

Stathas believes customers keep coming back to PO Folks because of the friendly atmosphere and good food—heaping portions of Southern country-style favorites, like chicken and dumplings, country-fried steak and fried okra. Staff members are trained to make customers feel comfortable and at home. "Howdy, can I help you?" is the standard friendly greeting. Fast service and moderate prices are other drawing cards.

Even though customers generally say they're very full after a PO Folks meal, they're managing to find room for the recently introduced apple and blackberry cobbler desserts. Sales for the new items have been very good, says Stathas.

4

EAST NORTH CENTRAL

Location: Roseville, MI
NRA member: Tom Paganes
Operation: Tubby's Sub Shops, Inc.
Profile: Sandwich chain with 29 franchised units and 13 company-owned stores
In business: 17 years
Seats: From carry-out only up to 100 seats
Meals served: Lunch, dinner

According to **Tom Paganes,** co-owner of Tubby's Sub Shops, the sandwich chain has had 27 straight months of sales gains.

The company began franchising in 1978 to offer good employees more avenues for advancement. In just seven years the number of franchised units has jumped to 29, and nine more are under construction. One will be in Atlanta, GA—the first out-of-state store. The chain eventually hopes to operate stores from Michigan to Florida.

Paganes credits the chain's success to the shops' 25 different grilled-to-order sandwiches. One favorite is the pizza, steak and cheese sandwich, which is made with pizza sauce, mushrooms, green peppers, cheese and top steak. The menu also includes soups, side dishes and desserts. "We're an alternative to the traditional fast food menu," Paganes says.

5

EAST SOUTH CENTRAL

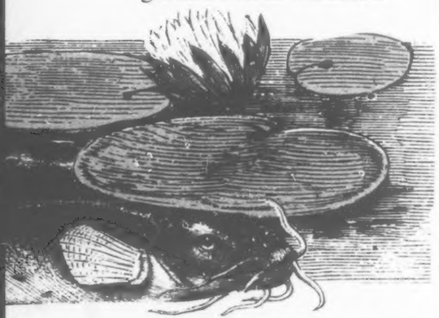
Location: Natchez, MS
NRA member: Brent Bourland
Operation: Cock of the Walk, Inc.
Profile: Seafood restaurant

franchise company with 15 franchisee-owned and one company-owned unit
In business: 8 years
Seats: 225, average
Meals served: Dinner (4 units serve lunch)

Although the local economy is still a little slow due to the depressed oil industry, business is going extremely well for **Brent Bourland,** president of Cock of the Walk, Inc.—a 16-unit seafood restaurant chain spread throughout the Deep South.

The chain's signature item is pond-raised catfish—a delicate, boneless whitefish (completely different from the catfish most people are familiar with), prepared with regional spices and flavors. Other popular menu items include hot jalapeno bread, fried dill pickles and hush puppies.

Bourland believes the chain's impressive growth (half of the restaurants opened in 1984) is due to its unique market niche. The company expects to open six to nine more franchised restaurants in 1985 in three new states—Florida, Georgia and North Carolina.



Where did the unusual name come from? From the old keelboat era when ships hauled freight up and down the Mississippi River. At that time, "cock of the walk" was a coveted title earned by the strongest and toughest man on board who wore a black hat with a red feather in it. Today, all Cock of the Walk waiters sport a similar hat and feather.

6

WEST NORTH CENTRAL

Location: Minneapolis, MN
NRA member: Neil Berman
Operation: Le Bistro Cafe
Profile: French bistro franchise chain with 5 company owned and 11 franchisee-owned units
In business: 9 years
Seats: 140, average
Meals served: Sunday brunch, lunch and dinner

Overall business has been very good, says **Neil Berman,** president of Le Bistro Cafe—a 16-unit casual French bistro concept located in five Midwestern states. Some units in agricultural areas have been slow, but those located in regions with more broad-based economies have been doing very well.

Berman originally developed the restaurant to appeal to female shoppers, and most units are located in or near shopping centers. Berman has broadened the menu and started serving Sunday brunch and dinner to expand the customer base.

Much of the restaurants' success is due to the casual atmosphere and the simple French and American dishes. Specialty soups, such as shrimp Florentine, crab bisque and French onion, are among the most popular items.

Gourmet Products International Corporation, a manufacturer of gourmet frozen foods for the institutional sector, has recently purchased the company. This should boost growth.

7

WEST SOUTH CENTRAL

Location: Austin, TX
NRA member: Norman Crohn
Operation: Chelsea Street Pub
Profile: Casual full-service restaurant chain with 12 company-owned and 8 franchisee-owned units
In business: 11 years
Seats: 200, average
Meals served: Lunch, dinner

Business wasn't very good in January and February, says **Norman Crohn,** owner of Chelsea Street Pub—a 20-unit casual restaurant chain located primarily in Texas. The unusually cold weather contributed to the slow sales.

Chelsea Street Pub is really two concepts in one and attracts different customer segments during different meal periods. Units are located in regional shopping malls and cater to mall shoppers during the day but focus on the young adult market at night. The menu doesn't really change—overstuffed sandwiches, salads, appetizers and exotic drinks. The company has 24 bands that travel from unit to unit, ensuring a constant supply of good entertainment at night.

8

MOUNTAIN

Location: Phoenix, AZ
NRA member: Dennis Eardley
Operation: Taco Bell
Profile: Taco Bell franchisee with 2 units
In business: 2 months
Seats: 60, average
Meals served: Lunch, dinner

Business is going very well, says **Dave Zins,** manager of a Taco Bell franchise restaurant in Phoenix. The new owner of the business, Dennis Eardley, has upgraded the equipment in the restaurant, which has helped speed up service and increased sales. Orders are now served in one and a half minutes, down from three and a half.

According to Zins, the area's business climate is very good. More people are moving to the area and construction is booming. Eardley also has growth plans for his operation. He anticipates a total of five restaurants by year's end.

9

PACIFIC

Location: Los Angeles, CA
NRA member: Joseph Bolker
Operation: Forty Carrots
Profile: Fullservice restaurant chain with 2 company-owned and 9 franchisee-owned units
In business: 7 years
Seats: 130, average
Meals served: Breakfast, lunch, dinner

Business has been very good this winter. December was a record month, says **Joseph Bolker,** chairman of the board of Forty Carrots, Inc. The concept was developed by the president of Bloomingdale's. After visiting one of the restaurants, Bolker decided he liked the concept and purchased the rights.

The chain specializes in natural, low-calorie food. An extensive variety of entrees, including Italian, French, American and Mexican dishes, sets the restaurants apart from most health-food establishments. One unit has an adjoining bakery, Victoria's Bakeshop, which offers muffins, cookies, yogurt and juices. Bolker hopes to expand the bakery concept to other units.

Bolker has recently started a delivery service, which is slowly catching on. The units also offer items for take out.

FOOD FOR THOUGHT

Westerners do eat differently

A new study confirms the long-held suspicion that people who live on the West coast do eat differently from the rest of the country. According to a study of 20,000 adults in 48 states, Westerners eat more brown rice, chunky peanut butter, yogurt and anything that has the perception of being natural, fresh, nutritious or light.

Who are Westerners? Residents of Arizona, Alaska, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington and Wyoming. *—USA Today*

Orange juice hotline

How is orange juice concentrated? Are blights and bad weather affecting the current citrus crop? How much vitamin C is in a glass of orange juice? Answers to these and other questions as well as tips on storage, handling and thawing of orange juice are now as far away as your telephone.

(800) 237-7799
FLORIDA
FLORIDA

Between the hours of 7 a.m. and 7 p.m. Monday through Friday and 8 a.m. to noon on Saturday, Tropicana will tell what you want to know about orange juice. *—USA Today*

Customers cook their own pancakes

The do-it-yourself-concept of restaurant food works for breakfast as much as it does for salad bars at dinner. At the Old Spanish Sugar Mill Grill and Griddle House in De Leon Springs, FL, customers make their own pancakes right at their tables. Each table in the 60-seat restaurant has an electric griddle in its center.

To start, customers get two pitchers of pancake batter made with unbleached white flour and the special house blend of five stone-ground flours plus pitchers of raw honey, unsulphured molasses and maple syrup. All the trimmings, including blueberries, banana slices and applesauce, as well as sausage, bacon, ham and eggs are also available.

The mill does no advertising but is usually filled during breakfast and lunch (dinner is not served). "Our repeat business is very high. We have people come from all over the state," boasts Patty Schwarze, the mill's owner.

All the flour for the pancake batter and the homemade bread is made in the mill's electric-powered buhrstone gristmill.

—Washington Times

Top potato toppings

According to a recent Gallup poll of 1,037 customers in fast-food restaurants, here are the favorite stuffings and toppings for baked potatoes. Some respondents chose more than one answer.

The top choice is bacon and cheddar cheese, chosen by 39 percent of those surveyed. Next came chicken (20 percent), seafood (18 percent), sausage and pepper (15 percent), ratatouille (15 percent) and poached egg with hollandaise (9 percent).

—The Gallup Organization

Truth in menus Roman-style

Two historic sanctuaries of Roman gastronomic orthodoxy got their hands slapped by authorities for passing off frozen fish as the fresh item. The penalty: 5 million lire or $2,500 at current exchange rates plus threats of a jail sentence for up to one year.

—Wall St. Journal

Lunch lifts

Two Washington, DC, restaurants have teamed up to lick the lunchtime blues. When their noon-hour trade plummeted last year because their parking lot was sold, El Bodegon and La Fonda decided to share the cost of a 14-seat van emblazoned with their trademarks.

The shuttle operates between 11:30 a.m. and 2:30 p.m. as well as after work for an occasional office party. "Within a five-mile radius, we'll pick you up, you'll have lunch, and we'll take you right back again," says Adelina Calahan, owner of La Fonda.

La Fonda, a Mexican restaurant, and El Bodegon, which specializes in Spanish fare, report few mix-ups, but both have noticed a boom in business since they've instituted the shuttle.

—Washington Times

In Foodservice you can't depend on the luck of the draw

Announcing 12 top seminars to be offered at the NRA Show, McCormick Place, Chicago, IL, May 18–19

In foodservice, the long straw of success comes from knowing the industry, knowing your customers, knowing your operation and, most of all, knowing how to plan for tomorrow. These 12 NRA seminars are geared to give you the long straw when you need it most.

One-Day Show Seminars

- Creative Merchandising Techniques
- Increasing Foodservice Productivity
- Computers in Foodservice: A Primer
- Computers in Foodservice: Advanced Technology
- Menu Development
- Kitchen Management
- Employee Motivation
- Dining Room Management

Two-Day Show Seminars

- Location, Location, Location
- Planning and Implementing a Restaurant Marketing Strategy
- Restaurant Design & Facility Planning
- Operational Analysis

But you can depend on NRA's Educational Programs

For more information on these 12 NRA Show seminars, simply fill out the card between pages 40-41 or call 800/424-5156 (toll free) or 202/638-6100.

A8200-1

National Restaurant Association
Vol. 5 ☐ No. 4 ☐ April 1985

NRA NEWS

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NRA MEETINGS

Seminars

Basic Foodservice Courses

Basic Supervision in Foodservice

6/11	Orlando, FL
6/26	Seattle, WA

Computers in Foodservice: A Primer

4/23	Denver, CO
5/18	(NRA Show) Chicago, IL
6/3	Boston, MA
6/25	Minneapolis, MN

Dining Room Management

4/22	Savannah, GA
4/24	Pompano Beach, FL
5/7	Greensboro, NC
5/14	Halifax, Nova Scotia, Canada
5/19	(NRA Show) Chicago, IL
6/17	Annapolis, MD
6/19	Jackson, MS

Increasing Foodservice Productivity

4/22	Kansas City, MO
5/18	(NRA Show) Chicago, IL

Kitchen Management

5/9	St. Louis, MO
5/19	(NRA Show) Chicago, IL
6/10	Orlando, FL
6/19	Hartford, CT

Opening a Restaurant: Before You Start Cooking . . .

6/3	Lexington, KY
6/26	Grand Rapids, MI

People-Power and Profits

5/29	Williamsburg, VA

Tools for Training

5/9	Omaha, NE

Food Production Courses

American Regional Cookery

4/23	Minneapolis, MN
4/25	Denver, CO
5/7	Portland, OR
5/9	Seattle, WA

The Pantry: Prep for Profit

6/11	Orlando, FL

Perfecting Your Culinary Skills

6/5	Hyannis, MA

Simplified Baking Workshop

6/6	Detroit, MI

Soups and Sauces

6/10	Orlando, FL
6/12	Columbia, SC

Foodservice Management Courses

Computers in Foodservice: Advanced

4/24	Denver, CO
5/19	(NRA Show) Chicago, IL
6/4	Boston, MA
6/26	Minneapolis, MN

Creative Merchandising Techniques

5/18	(NRA Show) Chicago, IL
6/24	Cincinnati, OH

Food Cost Management

4/30	Tulsa, OK
5/2	Little Rock, AR
6/25	Madison, WI
6/27	Billings, MT

Location! Location! Location! How to Successfully Negotiate and Finance Your New Operation

5/18–19	(NRA Show) Chicago, IL

Menu Development

4/23	Charlotte, NC
5/18	(NRA Show) Chicago, IL
6/19	Norfolk, VA

Motivation

5/19	(NRA Show) Chicago, IL

Off-Premise Catering

4/29–30	Columbus, OH
5/6–7	San Francisco, CA
6/3–4	Portland, OR
6/24–25	Denver, CO

Operational Analysis

5/1–2	Boston, MA
5/18–19	(NRA Show) Chicago, IL
6/5–6	Los Angeles, CA

Planning & Implementing Restaurant Marketing Strategy

5/18–19	(NRA Show) Chicago, IL
6/10–11	Orlando, FL

Restaurant Design & Facilities Planning

5/18–19	(NRA Show) Chicago, IL

Please note that registration fees have been reduced for the Basic Foodservice Courses.

For more information, please contact:
NRA Education Programs
311 First Street, N.W.
Washington, DC 20001
800-424-5156 or
(202) 638-6100

Study Group Meetings

Market Research	April 10–12	Washington, DC
Financial Officers	April 10–12	Palm Springs
Tax Executives	April 10–12	Palm Springs
EDP	April 16–19	San Diego
Internal Audit	April 30–May 5	Lake Tahoe
Foodservice Purchasing Managers	May 15–17	Chicago
MAECO	May 15–17	Chicago
Marketing Executives	May 15–17	Chicago

For more information on specific study groups, contact Philip Kralovec, (312) 853-2525.

NRA NEWS
Vol. 5 No. 4 April 1985

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Claire Regan
Shannon Tuel
Editorial Typists
Valerie Pines
Riley Stern

Editorial offices
and NRA headquarters
311 First Street, N.W.
Washington, DC 20001
(202) 638-6100

Chicago offices
One Park Place, Suite 2000
Chicago, IL 60601
(312) 853-2525

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PRESIDENT'S REPORT

Harris O. Machus
President and Owner
Harris O. Machus
Enterprises, Inc.
Birmingham, Michigan

The industry gathers for the NRA Show

Spring is an upbeat season for the foodservice industry. People, only too happy to celebrate the warmer weather, head for their favorite restaurants, and restaurateurs gather in Chicago for NRA's Restaurant, Hotel-Motel Show.

Last year, no less than 88,000 foodservice people from all over America and 70 foreign countries attended the NRA Show. Why did so many of you make the trip to McCormick Place in Chicago? For one thing, the NRA Show offers you one-stop shopping. You can visit more than 1,300 exhibits and learn about 6,100 products and services. You can see, touch and sample everything from computers and refrigerators to new salad dressings and ice cream cones. There is no better way to find the new products and services you need to be on the leading edge of the trends.

The NRA Show, however, is more than just an exposition. The educational program includes management clinic sessions and a wide range of seminars. Speakers and entertainers appearing at various events include Paul Harvey, renowned news commentator; J. Peter Grace, chairman of W. R. Grace Co. and also of a presidential commission on waste in government; Calvin Trillin, controversial foodwriter; Beverly Sills, first lady of American opera; and Paul Anka, a long-time favorite singer and songwriter.

I personally invite you to come and join the rest of the industry at NRA's annual Show on May 18 to 22.

Spring is also a time when political activity accelerates in the nation's capital. While NRA's Chicago staff is organizing the Show, the Washington staff is responding to legislative initiatives that could affect our operations.

Auto log regulations repealed

NRA staff members have been pressing for the repeal of the three-month-old IRS regulations which require taxpayers to keep "contemporaneous records" of vehicles used for business purposes to qualify for tax deductions. Congressional leadership has now been convinced that these regulations impose an unduly heavy bookkeeping burden on business people, and early this month the House and the Senate passed separate bills repealing the regulations.

The two bills have gone to a conference committee for reconciliation. Watch NRA's *Washington Weekly* for a report on the final version of this welcome legislative relief.

Association supports Youth Differential Bill

Another very positive bill has been introduced in both the House and Senate. It would permit employers to pay wages equal to 75 percent of the minimum wage to newly hired teenagers (19 years or younger) from May 1 to September 30.

This "Youth Differential Bill," originally proposed by President Reagan last year, would be a boon to foodservice operators who hire extra help during the busy summer months. It is estimated that such legislation would generate 400,000 new jobs in the economy. I urge you to write your congressman and senators expressing your support for this bill.

NRA seeks TJTC extension

NRA also testified last month on two other pieces of legislation that will benefit many restaurateurs. The NRA staff delivered a strong endorsement of a bill that would extend the Targeted Jobs Tax Credit (TJTC) for five years. In the past this program has been extended one year at a time and is currently scheduled to expire December 31, 1985.

TJTC allows employers a tax credit for hiring individuals from nine categories of hard-to-employ persons. As a group, foodservice operators are the largest users of this credit, and many more operators would take advantage of the program if it were guaranteed a longer duration. NRA staff will continue to press for a five-year extension.

NRA fights sulfite labeling

The association also submitted testimony favoring the Gore-Wyden bill, which would ban the use of sulfiting agents by suppliers and restaurateurs on salad ingredients and pre-cut potatoes. The testimony pointed out that almost all NRA members have ceased using sulfiting agents but that operators cannot be certain the substances are absent from the raw foods that are purchased. The testimony also repeated NRA's belief that menu labels or wall placards warning about sulfites would frighten patrons who have nothing to fear and would supply insufficient protection for patrons who are sensitive to sulfites.

NRA favors a partial ban on sulfites in order to protect sulfite-sensitive patrons and to eliminate any possible justification for the countless full bans and labeling requirements proposed in some individual states.

Staff monitors tax simplification

Your association staff continues to monitor action on tax simplification in order to eliminate any proposal to limit the deductibility of business meals. A Chase Econometrics study, commissioned by NRA, shows that imposing limits on this deduction would deprive local, state and federal governments of considerable sums. This study is being circulated on Capitol Hill.

Executive compensation study released

NRA's research staff has completed a special study of executive compensation in foodservice. This study provides information on base salary, benefits and total compensation for 29 executive positions (CEO to unit manager) in the foodservice industry. It allows a comparison of wage scales among similar types of establishments. To purchase a copy, call the NRA Information Service.

During the past month, 261 members joined NRA. I welcome you to the most prestigious foodservice trade association in the world. Your participation in NRA will make your business grow and make the association more effective in its endeavors on your behalf. We're glad to have you with us.

Sincerely,

Harris

Harris O. Machus
President & Chairman of the Board

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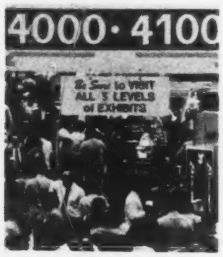

11 From the exhibit floor to the educational programs, the NRA Show has something for each key member of your operations team. Bring them with you to the 1985 Show, May 18–22 in Chicago. You won't be sorry: There are more than enough ideas to take home. For a preview of what you have in store, turn to the special Show newsletter.

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Cover art: Bob Soule

SHORT ORDERS

More than 400,000 NIFI career materials distributed

Helping to meet the foodservice industry's urgent need for new employees, the National Institute for the Foodservice Industry (NIFI) distributed 441,317 "Careers in Foodservice" materials in 1984. During the past year, NIFI responded to 52,560 requests from counselors, students, parents, teachers and foodservice operators compared to 38,938 requests for materials in 1983.

Included in the kit is a 16-page counselor's manual; a 12-page guide for students; directories of senior, junior and community college programs in hotel, restaurant and institutional management in the United States; a new 12-page booklet entitled "Exploring the Many Facets of Foodservice—An Introduction to Alternative Foodservice Careers," which deals with opportunities in manufacturing and distribution; four two-page career profiles (restaurant manager, chef and cook, waiter and waitress, and bartender); a folder in which to file the publications; and a card to order additional materials.

For single copies of "Careers in Foodservice" materials or kit, write to the National Institute for the Foodservice Industry, 20 N. Wacker Drive, Chicago, IL 60606.

Winners in 3rd Annual Women in Foodservice Competition

Six women owning a business within the environs of New York, New Jersey, Connecticut, Puerto Rico and The Virgin Islands have been singled out for their outstanding contributions to the foodservice industry.

The winners in the Third Annual Women in Foodservice competition are:

- **Gourmet take-out:** Sarabeth Levine, Sarabeth Kitchen, New York, NY.
- **Restaurant innovation:** Doris Simpson, Muirhead, Ringoes, NJ.
- **Restaurant under 10 years:** Catherine Alexandrou, Chez Catherine, Westfield, NJ.
- **Restaurant honorable mention:** Andree Abramoff, Andree's Mediterranean Cuisine, New York, NY.
- **Manufacturer:** Karen Heineman, Homarus, Inc., Mount Kisco, NY.
- **Manufacturer honorable mention:** Clara Nappy, Nufare Chocolates, East Northport, NY.

These awards are presented by the Women's Foodservice Institute of New York University's Center for the Study of Foodservice Management and the U.S. Small Business Administration Office of Women Business Enterprise.

NRA major medical insurance helps eliminate risk

Not having any health insurance is one risk most NRA members can avoid thanks to the NRA Major Medical Insurance Plan. This is the only major medical plan available on a group basis to members.

Through June 1, 1985, all NRA members and their spouses and key employees and their spouses may apply for group coverage if they are under age 65. Unmarried, dependent children up to age 19 (23 if a full-time student) may also apply.

The plan provides comprehensive coverage for hospital, surgical and medical expenses with lifetime benefits of up to $1,000,000. It covers a wide range of expenses, including physicians' and surgeons' fees, hospital room and board charges, prescription drugs, X-rays, lab tests and office visits.

Applicants may choose a deductible of $300, $500 or $1,000. This is the initial amount of expenses that must be paid by the insured before benefits begin. The higher the deductible, the lower the premium. Members choose the deductible that best fits their particular situation. After the deductible, the plan pays 80 percent of all covered expenses for the rest of the year. But when the insured has paid $1,000 in out-of-pocket expenses plus the deductible, the plan takes over completely and pays 100 percent of all covered expenses for the entire year.

Detailed information and instructions on how to apply for the NRA Major Medical Insurance Plan have been mailed to members. Further questions should be directed to the NRA insurance administrator: Albert H. Wohlers & Co., NRA Group Insurance Plans, 1500 Higgins Rd., Park Ridge, IL 60068.

New guide with cleaning tips

How to clean cutting boards, windows, light fixtures, floors, restrooms and walls are just a few of the topics covered in the *Revised Cleaning Guide*, published by The Soap and Detergent Association.

You can also read about the importance of sanitation, the nature of the cleaning problem, modern cleaners, how to select cleaners and how to determine cleaning costs. There is a separate chapter on sanitation in food production that reviews the use and maintenance of specific food production equipment and how to clean special surfaces.

The guide sells for $9.00 per copy and is available from the Industrial and Institution Division of the Soap and Detergent Association, 475 Park Ave. South, New York, NY 10016.

Prepayment is required for one to five copies.

WASHINGTON REPORT

Conable and Duncan talk taxes

It's not likely that a major tax reform bill will move through Congress this year, according to both the former and current ranking minority members on the House Ways and Means Committee.

"Tax reform will be a long, tortuous process," predicts Barber Conable, the ranking Republican on Ways and Means until his retirement last year, "and it may not change the tax code for the better." At an NRA Action Task Force meeting in Washington, Conable said "incremental" changes to the code are much more likely to be adopted by Congress than "radical" tax reform. "Radical change would force Congress to deal with too many interest groups," he said.

Veteran legislator John Duncan (R-TN), who has replaced Conable as ranking minority member, concurs. "I can't see any real tax reform this year," he told ***NRA NEWS***. "It touches too many groups and raises too many concerns." However, he did believe there might be some "bits and pieces" of reform passed, such as a technical corrections bill.

Both Conable and Duncan said Treasury's proposal to cap the business meal deduction at $10 for breakfast, $15 for lunch and $25 for dinner probably won't be included in any final reform package. Conable said the NRA-opposed proposal will "go out the window" and that such a plan, if enacted, "could never be reasonably administered."

"We've looked at this before," said Duncan, referring to an ill-fated attempt by the Carter administration to limit the deductibility of business meals, "and I think the restaurants will come out all right on this one. I think we can come up with a proposal that's satisfactory."

Conable warned that business groups will have to stick together whenever tax reform is taken up, "or there will be some real losers. There are some things in Treasury's proposal that are going to hurt business."

Conable also said he was afraid that if the tax reform debate isn't resolved quickly, "it could have a negative effect on business investment. Business people will postpone investments when they're not sure what the rules are."

In his interview with ***NRA NEWS***, Duncan said he favors retention of the investment tax credit and the credit for research and development as well as the extension of the targeted jobs tax credit. He also said he's not inclined to make any changes in the tax-free treatment of employer-provided fringe benefits, something the Treasury proposal would do.

NRA favors TJTC extension

NRA testified last month in favor of bill H.R. 983 that would extend the targeted jobs tax credit (TJTC). The credit, used extensively by foodservice operators, will expire at the end of this year unless it is reauthorized by Congress.

H.R. 983 was introduced by U.S. Rep. Charles Rangel (D-NY), chairman of the House Ways and Means Subcommittee on Select Revenue Measures. Rangel held a hearing on his bill on March 19.

Employers receive a credit if they hire individuals from nine targeted groups, including the handicapped, economically disadvantaged youth, economically disadvantaged ex-offenders, economically disadvantaged Vietnam-era veterans and government assistance recipients. In addition to extending TJTC for five years, Rangel's bill would increase the maximum allowable credit from $3,000 to $5,000 in the first year and from $1,500 to $2,500 in the second year.

NRA Government Relations Director Ron Sarasin told the subcommittee that "TJTC represents one of the most efficient uses of tax incentives to create jobs for the chronically unemployed." He noted that the credit lowers labor costs for operators, allowing them to hire new employees or preserve positions that would have otherwise been eliminated.

"TJTC has also resulted in socially beneficial changes in employer hiring decisions," Sarasin said. "Many of our members now go to considerable lengths to seek TJTC eligible employees. Many have in-house TJTC coordinators who work closely with local

WE'RE COUNTING ON *YOUR OPINION*

NRA's monthly membership poll tracks your views on important national issues affecting the foodservice industry.

Your reponses to these questions will help NRA represent the industry in Washington.

Question 1: Allow 18 to 20-year-olds to drink in licensed establishments?

Beginning Oct. 1, 1986, states that do not adopt a 21-year-old purchasing age for alcoholic beverages will forfeit five percent of their fiscal 1987 federal highway funds. This provision of the 1984 Surface Transportation Act was passed last summer in response to public outcry over the drunk driving problem and a concerted lobbying effort by groups, such as Mothers Against Drunk Driving (MADD).

Controversy still surrounds the issue. States' rights groups see the new act as infringing on an area of law traditionally left to the states. Penalizing 18 to 20-year-olds for the drunk driving problem, when there are drunk drivers of all ages, is viewed by civil libertarians as an unfair and ineffective means of solving the problem.

A proposal to expand the purchasing rights of 18 to 20-year-olds has been introduced in this Congress by U.S. Rep. James Jeffords (R-VT). Jeffords' bill, H.R. 1665, would allow this age group to consume alcoholic beverages in licensed establishments while continuing to make it unlawful for them to purchase alcoholic beverages outside of licensed facilities.

➡**PROS**—Teaching responsible consumption of alcohol is the most effective solution to the drunk driving problem. Allowing 18 to 20-year-olds to drink in a controlled environment, such as a licensed establishment, encourages them to develop a responsible attitude toward drinking. The law passed last year instead encourages them to drink in uncontrolled environments, such as cars or friends' homes. This could lead to more abuse of alcohol and an increase in drunk driving.

➡**CONS**—Allowing 18 to 20-year-olds to consume alcohol only in licensed establishments is no guarantee against abuse or drunk driving among this age group. Giving 18 to 20-year-olds any kind of legal access to alcohol will only increase the number of teens killed each year in drunk-driving accidents. Also, any proposal to allow only licensed establishments to sell alcohol to those under 21 discriminates against other retail establishments that sell alcohol.

Should 18 to 20-year-olds be permitted to consume alcoholic beverages in licensed establishments?

Question 2: Extend TJTC?

The Targeted Jobs Tax Credit (TJTC) provides an economic incentive to employers who hire individuals from nine targeted groups. By providing a tax break for hiring from these groups, Congress has created employment opportunities for those historically shortchanged in the job market. The credit will expire at the end of 1985, and legislation (H.R. 983) has been introduced by U.S. Rep. Charles Rangel (D-NY) to extend the credit for five years.

Foodservice employers have become one of the largest users of the credit, hiring nearly a third of all TJTC certified employees. Total TJTC certifications last year amounted to 563,000.

Employers who hire a targeted employee are eligible for credit equal to 50 percent of the first $6,000 of qualified first-year wages and 25 percent of the first $6,000 of qualified second-year wages. The nine targeted groups include the handicapped, economically disadvantaged youth, economically disadvantaged ex-offenders, economically disadvantaged Vietnam-era veterans, economically disadvantaged cooperative education students and government assistance recipients.

The administration is opposed to extension of the credit, and a Treasury Department official testified against H.R. 983 during a recent hearing.

➡**PROS**—Studies show that TJTC has worked more efficiently than direct federal spending programs aimed at helping the chronically unemployed. TJTC is far less costly than the old CETA program and about half as expensive as the Job Training Partnership Act. With TJTC there are few administrative costs, and individuals are placed in private sector jobs versus the public, "make-work" positions associated with CETA. Targeted individuals receive valuable on-the-job training and often are promoted or move on to better jobs.

➡**CONS**—The administration argues that TJTC is costly and ineffective. Treasury estimates that enactment of the Rangel bill will cost $7.2 billion, yet only about 10 percent of all eligible individuals are hired through the credit. Treasury argues that the credit is a windfall to corporations who hire TJTC individuals because they would have given jobs to these people anyway. Critics also charge that TJTC results in displacement of workers who aren't certifiable so there really aren't any new jobs created.

Should TJTC be extended?

Please respond to the above questions, using the attached postage-paid card.

job service offices, rehabilitation agencies and community groups to place individuals in their establishments.

"The result has been a greater willingness on the part of employers to give those traditionally shortchanged in the labor market a chance to learn new skills and establish an employment history that benefits them in securing future jobs," Sarasin said.

NRA's comments were echoed by Marriott Corporation, Kentucky Fried Chicken, Inc., the Foodservice and Lodging Institute and other employers and trade groups appearing before the subcommittee.

Treasury testifies against bill . . .

However, Treasury spokesman Mikel Rollyson testified against the Rangel bill and said the administration does not support extension of TJTC. Rollyson, Treasury tax legislative counsel, claimed that TJTC is an ineffective and costly tax subsidy and urged the panel to let it die at the end of this year.

Rollyson said H.R. 983 would cost $7.2 billion, although the Joint Tax Committee puts the price tag at about half that amount—$3.8 billion. Rollyson also claimed that employers take advantage of the credit for disadvantaged individuals who would have been hired regardless of the tax break. He suggested, too, that the credit results in the displacement of workers who are not eligible for the credit.

Congressmen support TJTC . . .

But Treasury's remarks were clearly in the minority. "TJTC is the most cost effective of all job programs," subcommittee member Rep. Carroll Campbell (R-SC) argued. He said that in 1984 it cost $330 million to place 563,000 individuals, a per person cost of just $586. By comparison, the cost of training an individual under the new Job Training Partnership Act is $2,500, Campbell said.

Sen. John Heinz (R-PA) cited a recent Congressional Research Service report that concludes that TJTC has worked more efficiently than direct spending programs aimed at helping the unemployed. He termed the credit "unique" because it "offers a genuine way out of poverty for the economically disadvantaged" without "a lot of red tape or federal bureaucracy." Heinz said he plans to introduce a bill in the Senate to extend TJTC for five years.

Ways and Means Committee member Pete Stark (D-CA) said Treasury's estimate of revenue loss from TJTC was overstated. Stark said he favors extension of TJTC, but he suggested the credit could be lowered in the first year to raise the credit in the second year, thus encouraging longer employee retention.

NRA supports Sulfite Safety Act

An NRA-supported bill to partially ban the use of sulfites was introduced on March 5 by Sen. Albert Gore (D-TN) and Rep. Ron Wyden (D-OR).

The Sulfite Safety Act of 1985 (S. 573 and H.R. 1427) would ban the use of sulfites on any fresh fruit or vegetable sold for consumption in its raw state and on any cut potato other than potatoes to be dehydrated. The ban would become effective three months after enactment.

The bill would also require the government to reevaluate the safety of sulfite usage in other foods, including wine, dried fruit and seafood.

NRA called for a ban on the use of sulfites on fresh vegetables and precut potatoes last November when it testified before a scientific review panel studying the additives for the Food and Drug Administration (FDA). FDA has consistently resisted placing a ban on sulfite use, preferring labeling requirements to an outright ban.

The review panel noted in its final report that labeling would not adequately protect sulfite-sensitive individuals from the dangers associated with sulfites. The panel suggested that a targeted, partial ban on the additives would be a proper response to the sulfite problem. The review panel also commended NRA for its responsible actions to protect sulfite-sensitive individuals.

Sen. Albert Gore (D-TN) describes his sulfite safety legislation at a March meeting of the NRA Action Task Force.

NRA voiced support for the Gore-Wyden bill at a recent press conference called by Sen. Gore. Pointing to the danger posed by sulfites, Gore chastised FDA for waiting too long to take action to protect sensitive individuals. Gore emphasized the need for quick enactment of his legislation and lauded NRA's desire to protect its customers.

Last month NRA submit-

Results of February opinion poll

In the February Opinion Poll, ***NRA NEWS*** asked, "Should current farm programs be eliminated in favor of a market-oriented system?" and "Are employer sanctions necessary for effective immigration control?"

Eighty-two percent of the respondents believe that the current farm programs should be eliminated. Fifteen percent believe that these programs should not be eliminated, and three percent expressed no opinion.

More than half of the respondents (57 percent) believe that employer sanctions are not necessary for effective immigration control, while 36 percent believe that sanctions are necessary. Eight percent expressed no opinion.

Sixty-nine percent of the February respondents said they operate a tableservice or limited menu establishment. Thirteen percent operate a fast-food establishment and another 13 percent operate a cafeteria.

Based on the information provided, the February sample represented 3,358 units employing 65,895 people.

ted testimony before the House Energy and Commerce Subcommittee on Oversight and Investigations, which is also reviewing sulfites. In its testimony, NRA outlined the actions it has taken to respond to the health hazard posed by sulfites and voiced its opposition to any labeling requirement. NRA expressed its support for the Gore-Wyden bill and encouraged the subcommittee to act quickly to ensure passage of this legislation.

NRA study group meets to discuss war on government waste

NRA's newly-formed Efficiency in Government Study Group met in March to review the Grace Commission's proposals to streamline government and develop a strategy for the foodservice industry to contribute to the "war on waste."

The Grace Commission, as the President's Private Sector Survey on Cost Control is more commonly known, produced 2,478 ideas to reduce waste, inefficiency and overspending in government. Savings produced by these cuts are estimated by the commission to be $424.3 billion over a three-year period. Although the commission, chaired by J. Peter Grace, disbanded in January 1984, its recommendations are now being pursued by administration officials.

NRA's study group met with representatives of the various groups involved in the effort. J. P. Bolduc, president of Citizens Against Waste (CAW), discussed CAW's attempts to organize grass roots lobbying to pressure Congress to support the Grace Commission's proposals. Bolduc also suggested ways for associations and their members to become active in the fight against waste. According to Bolduc, 267 trade associations, along with many private companies and individual citizens, have endorsed CAW. (For more information regarding Citizens Against Waste, call 800-USA-DEBT.)

John Hall, associate director in the Office of Cabinet Affairs, discussed the status of the Grace Commission proposals. Responsible for the implementation of those proposals, Hall is also developing a way to track the success rate of recommendations that have been adopted.

Rep. Bob Edgar (D-PA) reviewed the politics surrounding the Grace report. He advised the group that many members of Congress are unlikely to support the controversial proposals made by the commission because they believe many of the recommendations reflect a disregard for the "mission" of government in deference to a business-oriented viewpoint.

Members of NRA's study group concluded that restaurateurs should become active in the effort to end government waste. The group will be pursuing those Grace recommendations that could have an effect on the foodservice industry.

NRA action task force meets

The NRA Action Task Force met in March for a two-day symposium on key federal and state issues relating to the foodservice industry. The Action Task Force is comprised of representatives of multi-unit foodservice operations from around the country.

Under review were NRA activities and strategy on issues such as the targeted jobs tax credit (TJTC), tax reform, business meal deductibility and sulfites. Also discussed was the need for a state legislative lobbying network to be used by the multi-unit operations in tracking issues that could affect their business.

Addressing the task force was former member of Congress and tax expert Barber Conable. Conable noted that tax simplification would be a lengthy and difficult struggle and probably would be enacted in increments rather than in one large reform package. He also predicted that a cap on business entertainment meal deductibility is an unlikely element for a new tax policy (see related story).

NRA Executive Vice President William Fisher (left) and Undersecretary of Commerce for Economic Affairs Sidney Jones (right) at a White House briefing where Jones addressed the NRA Action Task Force.

Members of the task force attended a White House briefing covering both domestic and foreign issues. Undersecretary of Commerce for Economic Affairs Sidney Jones discussed the state of the U.S. economy and the outlook for economic growth, noting that the economy will continue to grow but at a slower pace than in the past two years.

Joe Wright, Deputy Director of the Office of Management and Budget, spoke to the group about the budget deficit and the proposed 1986 budget. Wright outlined his priorities for budget cuts, putting subsidies to middle and upper income individuals and to businesses at the top of his list.

Senator Al Gore (D-TN), sponsor of legislation to ban the use of sulfites on raw potatoes and fresh fruits and vegetables, discussed his concerns regarding the dangers of using sulfites on uncooked foods. Gore commended NRA on its efforts to help solve the sulfite problem and asked for NRA's support for his sulfite bill, S. 573, and its companion bill, H.R. 1427, which was introduced by Rep. Ron Wyden (D-OR).

NRA staff is now working to implement the strategies discussed at the task force meeting.

—Jay Morris
—Michelle Rabayda

1985 NRA SHOW

PLAN NOW FOR A BLOCKBUSTER SHOW

Spring is here. The season for brilliant flowers, warbling birds and—naturally—the annual NRA Restaurant, Hotel-Motel Show at Chicago's McCormick Place. The dates to mark on your calendar this year are Saturday, May 18, through Wednesday, May 22.

As the world's largest foodservice and lodging exhibition, the 1985 Show's idea-packed program offers a dazzling array of learning opportunities for every foodservice professional. You won't have any trouble using each moment profitably. The tough part will be to choose, among so many worthwhile activities, those that are best-suited to your needs.

Want to learn more about computer applications in the foodservice industry or sharpen your merchandising skills? The NRA Executive Seminar Series offers in-depth workshops on both topics—and on 10 others besides. The Management Clinic will help you cash in on proven management techniques. But you'll have to choose among 20 different sessions, ranging from success profiles to "light and low" menu development to cost-cutting strategies.

NRA
NATIONAL
RESTAURANT
ASSOCIATION

Harris Machus

You can't see every nationally known expert or personality featured in NRA's Theatre Series, so make sure you bring enough staff to cover all sessions. Writer Calvin Trillin, Jeff Smith ("The frugal gourmet") and management expert Thomas Connellan are only a few of the acclaimed speakers who have been lined up for you.

On the exhibit floor you'll have 1,300-plus exhibits to visit, and you can be sure you'll be seeing the latest foodservice products and state-of-the-art equipment.

Fortunately, the 66th NRA Restaurant, Hotel-Motel Show offers several events no one should miss. Everyone is encouraged to attend the opening day program, led by NRA President Harris O. Machus and featuring commentator Paul Harvey. The annual membership meeting should also appear on your "must" list; there you'll help elect new NRA officers and hear a presentation by J. Peter Grace, chairman of President Reagan's commission on cost controls—the Grace Commission.

You'll also want to make

NRA WINE CLASSIC WILL SHOWCASE FINEST AMERICAN WINES

The NRA Wine Classic will make its debut at the 1985 Show as the first national wine competition sponsored by the hospitality industry. "NRA has always taken a lead in setting trends throughout the industry," observes NRA Vice President Ted Balestreri, chairman of the event. "At the 1985 Show we will again be first in line in our recognition of the finest in American wines."

According to Balestreri, the event is in direct response to a trend throughout the industry: increasingly, restaurants are recognizing the complementary relationship between wine and food. With more than 1,000 bonded wineries operating in the U.S., wine making is becoming a major domestic industry, and restaurateurs need more than ever to familiarize themselves with the finest American wines.

Hundreds of wines from all regions of the country will be represented at the NRA Wine Classic, held Monday and Tuesday, May 20 and 21, in the Lindheimer Room of McCormick Place. The judging area, properly enclosed and equipped for professional tasting, has been specially constructed so that Show attendees can observe the blue-ribbon panel of judges evaluating the competing wines. This is the first time a major wine competition has been opened to spectators.

Guides will be available to explain the competition and provide information about the wine industry. A wine exhibit and video of wine experts offering wine-tasting tips are other attractions. Finally, spectators will have a chance to make their own judgments—by tasting and comparing the fine wines entered in the competition.

Only two wine varietals, Pinot Noir and Chardonnay, will be tasted at the events. By limiting the tasting to two varietals, the format will be easily understood by all who attend.

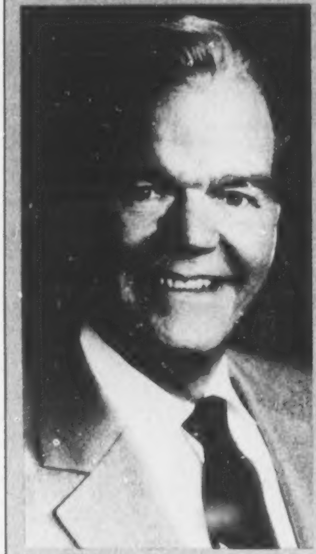
The winners will receive gold, silver and bronze medals at a special luncheon on the final day of the Show. Says Balestreri, "These medals will signify new standards of quality throughout the hospitality industry."

time for the new NRA Wine Classic, a prestigious competition with wines from every region of the country. With unprecedented opportunities for spectator participation, the Wine Classic will help you incorporate fine American vintages into your wine list. Then drop by the Culinary Arts Salon, a remarkable cold food competition that has become a Show tradition over the past 15 years.

Whether to participate or simply to get some fresh air and cheer on the runners, you're invited to come out for The Main Course, Chicago's "most hospitable" race. Finally, just for the fun of it, plan to attend the Convention Capers and the Grand Banquet, where such top-notch performers as Tommy James (yes, trivia fans, The Shondells) and Paul Anka will entertain you.

More than 88,000 foodservice professionals from 70 countries are expected to participate in five days of varied events at the 66th NRA Restaurant, Hotel-Motel Show. If you still need more persuasion, the tens of thousands of restaurateurs who will flock to Chicago in May provide the strongest tribute to the value of the Show. They know the 1985 Show will provide an intensive, resource-ladened experience that can help them run their operations better the rest of the year.

You should be there, too, at the hospitality industry's "Show of Shows." Register now.



Paul Harvey

HEY, LISTEN!

You can purchase modestly priced audio cassettes of approximately 25 of this year's educational programs at the information booth in the Management Clinic area. In addition, about 80 of the best tapes from past NRA Shows are available.

GREAT MENUS

Although the three grand-prize winners in this year's Great Menu Contest are as different as the restaurants they represent, they do have a few things in common: excellent design, imagination and merchandising power. You can pick up some ideas for your own menus by examining these menus and 27 additional winning entries in nine different categories, on view during the NRA Show exhibition hours. This year's grand-prize winners are

First place: El Torito, Irvine, CA (lunch menu)

Second place: Buffalo Chips/Oar House: Grand American Fare, Santa Monica, CA

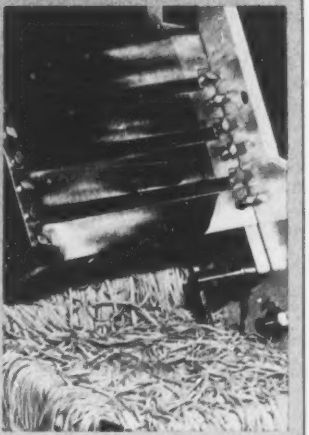
Third place: Max and Erma's, Columbus, OH (1984 summer menu).

EXHIBITS ARE IDEAL FOR COMPARISON SHOPPING

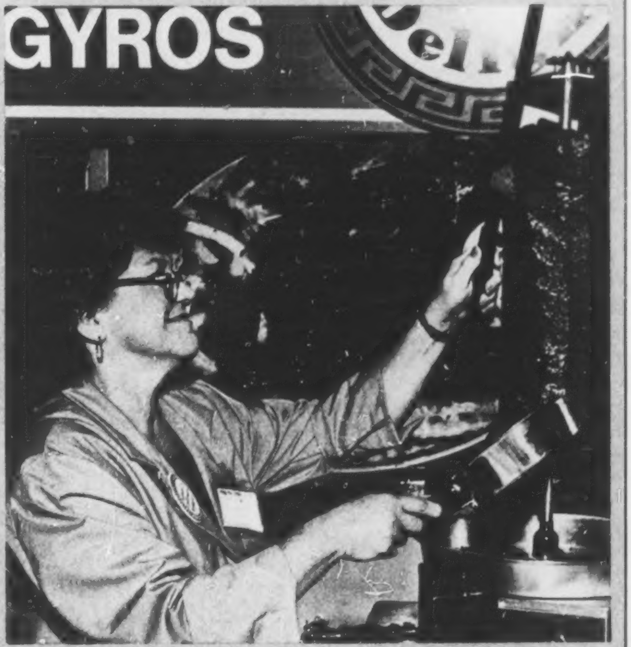
With all the activities packed into the Show, it's easy to lose sight of the most useful and enduring component: the exhibits. In a sense, the exhibits put the foodservice marketplace of the world at your feet. Each one is unique, displaying the best products, equipment, systems and services the industry has to offer.

You won't see just one tomato slicer or salad dressing or computer on the exhibit floor of the 1985 Show—you'll see several different examples of each, and that's true of just about any other product or piece of equipment you want. More than 1,300 exhibitors will be on hand, representing some 6,100 different products and services.

As these figures demonstrate, the exhibit floor offers a superb opportunity for comparison shopping. Experienced Show goers arrive with a detailed shopping list to guide them in sampling, examining and comparing similar items before choosing the one best suited for their needs. Talking to exhibitors can be extremely helpful. Many not only distribute samples of their products but they provide menu ideas and display options as well.



You can always expect a few surprises. Last year a talking dishwasher and tofu ice cream were among the new attractions on the exhibit floor.



THE MAIN COURSE 10K RACE
SPONSORED BY THE NATIONAL RESTAURANT ASSOCIATION

THE MAIN COURSE: STILL RUNNING AFTER FIVE YEARS

The Main Course, Chicago's biggest 10-kilometer race and a tradition at the NRA Show, is once again expected to draw 3,000 runners and 1,500 spectators. Now in its fifth year, this popular event has become a symbol of the restaurant industry's commitment to health and fitness. Harry Klingeman, an NRA director who lives in the Chicago area and runs in the race, sums up its appeal: "great hospitality and great T-shirts."

This year the race will begin at Buckingham Fountain, a Chicago landmark not far from Arvey Field, the starting point in past years. But the basic race course will be much the same, taking runners along Chicago's splendid lakefront.

From the blast of the starter's horn to the finish line, Show goers from 40 different states and half a dozen countries will mingle enthusiastically with Chicago residents. Ralph Wood, an NRA honorary director from California who runs with his wife, Risty, in The Main Course every year, enjoys the sense of camaraderie among the runners. "I also like to run past McCormick Place—there are always restaurant people you know, cheering and waving," he adds.

A band and gaily-striped tents at the end of the course add to the festive atmosphere. The Main Course has earned its reputation as "the most hospitable race" by providing drinks, snacks and an opportunity for relaxation after the race, not only to runners but also to their families. The race sponsors responsible for this hospitality are the Miller Brewing Company, Pepsi-Cola Company, Quaker Oats, *Restaurant Business* magazine, Sunkist Soft Drinks and Tyson Foods, Inc.

Everyone who runs in The Main Course comes out ahead. First place prizes are awarded to the male and female with the best times, and additional awards are given to the top three men and women in each of 19 categories. Every runner receives a complimentary NRA Main Course T-shirt, plus a "goodie bag" of running gear contributed by The Main Course sponsors. Race finishers are also eligible for the "You-Don't-Have-to-Win-to-Win" contest, a random drawing offering a chance to win dinners for two at top Chicago restaurants or hotels and a grand prize round trip for two to Hawaii.

The fee for participating in The Main Course is $7.95. For a race application, contact Marge Whalen, NRA race director, 150 N. Michigan Ave., Suite 2000, Chicago, IL 60601; (312) 853-2525.

FLY AND SAVE

As the official carriers for the 1985 NRA Show, Delta Airlines and United Airlines have guaranteed the lowest fares possible from any city they serve. Book your flight directly by calling toll-free: Delta 1-800-241-6760, 1-800-282-8536 (Georgia); ask for NRA file no. D0078. United 1-800-521-4041; ask for NRA account no. 530K.

TUNE IN TO THE SHOW

Tune in to the NRA Show in the comfort and privacy of your own hotel room. Whether you're dressing in the morning or kicking off your shoes after a day of seminars and exhibit hopping, R-TV brings you information on program schedules and speakers plus interviews and live action from the exhibit floor.

New this year: A special 10:30 p.m. showing for those who miss the early morning and late afternoon programs. Other broadcast times are 5:00 p.m. and 6:10 p.m. on Saturday; Sunday through Tuesday R-TV also airs mornings at 7:00 and 8:10 and afternoons at 4:00 and 5:10.

EARN CREDITS

The American Dietetic Association will award continuing education credits for many educational programs offered at the NRA Show.

J. PETER GRACE TO SPEAK AT MEMBERSHIP MEETING

Members will officially elect NRA's chief officers for the year 1985–1986 at the annual membership meeting on Monday, May 20. NRA President Harris O. Machus will then introduce his successor as well as NRA's new vice president and treasurer.

NRA's Board of Directors has nominated Ted Balestreri, co-owner of Restaurants Central and the award-winning Sardine Factory in Monterey, CA, as president and chairman of the Board for the year beginning May 21, 1985. G. "Jim" Hasslocher, president and chairman of the board of Frontier Enterprises in San Antonio, TX, has been nominated NRA's new vice president. Michael Grisanti, president and chief executive officer of Grisanti, Inc., is slated to become NRA's next treasurer.

Preceding the election, J. Peter Grace, efficiency expert *par excellence*, will speak to the NRA membership. It has been a year since the commission he chaired for President Reagan—called the Private Sector Survey on Cost Control but known widely as the Grace Commission—produced a staggering 2,478 recommendations. Now, on his own time and with donated funds, Grace is fighting to implement them.

Grace's crusade is aimed at rallying the nation against what he sees as massive waste and inefficiency in government. Among the Grace Commission recommendations of greatest interest to the foodservice industry are those advocating the "privatization" of Defense Department commissaries and other federal food preparation and feeding services.

Since 1945, J. Peter Grace has been chairman and chief executive officer of W. R. Grace & Co., which he has built into a leading international company with worldwide interests in chemicals, natural resources and consumer services. Among its holdings, the company counts more than 900 restaurants.

The Washington Post has dubbed Grace "one of the fabulous characters of the American scene." He is a dynamo who works 17 hours a day, headquartered in his "Flying Office," a Boeing 727 equipped with desks, phones, photocopying machines and aides. To avoid wasting a single second, he wears two watches: Eastern Standard Time on the left wrist, the time where he happens to be on the right.

J. Peter Grace

AIR FORCE BASES TO RECEIVE HENNESSY AWARDS

Winners of the coveted Air Force Hennessy Awards will be announced at a special luncheon during the Show. For more than 25 years, the Air Force has awarded two traveling trophies, each one a 34-inch Revere sterling silver bowl, to bases demonstrating excellence in managing foodservice facilities for enlisted personnel. One trophy goes to the most deserving Air Force base with a single dining hall, while the other is awarded to one with multiple dining halls.

Tickets for the luncheon, priced at $35, are available from Ruth Tracy, Hennessy program coordinator, NRA, 311 First St., N.W., Washington, DC 20001; (202) 638-6100 or (800) 424-5156.

OPENING SESSION LOOKS AT THE BIG PICTURE

In his welcoming address on Sunday, May 19, NRA President Harris O. Machus will highlight the 1985 Show's special attractions. He will also discuss the political issues challenging the foodservice industry and emerging trends that will shape its future. "I see the opening session as a chance to talk to members about our activities of the past year and some of the exciting new programs NRA has introduced," says Machus.

Commentator Paul Harvey, who has been called "the burr under the saddle of the American conscience," will join Machus on the podium during the opening day program. Harvey's broadcasts and newspaper columns have entertained and informed millions of Americans. Delivered in a characteristic rapid-fire style, his frequently caustic comments defy categorization according to any simple political label. In his provocative, highly individual analysis of the news, Harvey declaims on subjects ranging from "government snoopervision" to "tendencies towards mediocrity in private enterprise."

Harvey is sole proprietor of the world's largest one-man news network, which provides him a forum composed of 897 U.S. radio stations plus an additional 400 stations of American Forces Radio around the world, 100 TV stations and 300 newspapers. His credentials include 10 honorary degrees and election to the National Association of Broadcasters Radio Hall of Fame.

To hear "the rest of the story" be sure to attend the opening day session.

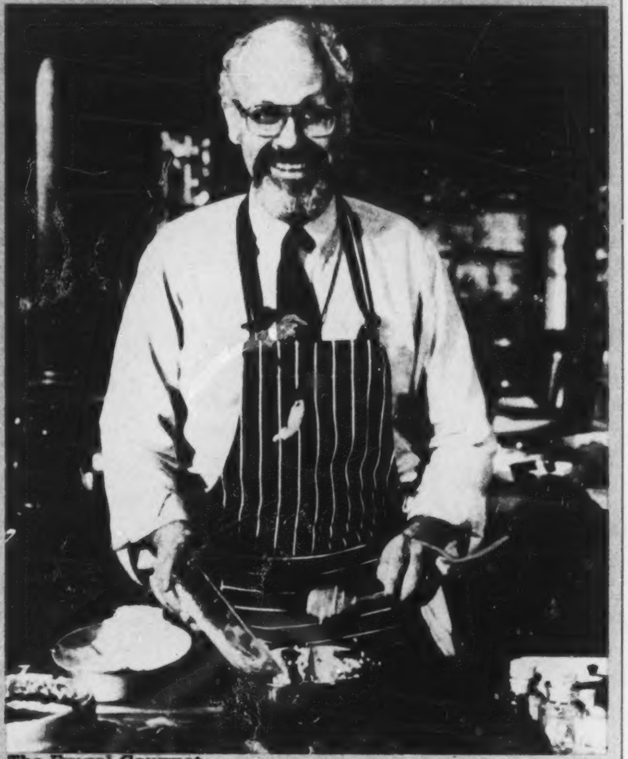
IMPRESSIVE LINE-UP OF SPEAKERS FOR THEATRE SERIES

The NRA Theatre Series will feature a series of lively and entertaining presentations.

Calvin Trillin will delight listeners with his unorthodox views on American food. In addition to putting Arthur Bryant's Barbecue in Kansas City, MO, on the map as "the single best restaurant in the world," Trillin once launched a one-man campaign to replace the traditional Thanksgiving turkey (a dish not to his liking) with spaghetti carbonara. As a columnist for *The New Yorker* and *The Nation*, Trillin has sought out chicken wings in Buffalo, oysters in Delaware, catfish in Florida and barbecued mutton in western Kentucky. Although he defers modestly to "grown-up food writers," his credentials also include three food books: *American Fried; Alice, Let's Eat* and *Third Helpings*.

Calvin Trillin

Jeff Smith achieved national fame as "the frugal gourmet" with his popular television series and best-selling cookbook. Smith celebrates food as an art form, taking his audience on a tour of foods around the world and recounting the history of various dishes. Followers of his sensible approach will learn that good cooking need not be complicated, time-consuming or expensive.


The Frugal Gourmet

Thomas Connellan, who has been called "one of the leading organizational development thinkers of our time," will tell his audience how to develop and maintain excellence in their operations. The author of four books, Connellan is president of The Management Group, Inc., a firm specializing in results-oriented techniques and employee motivation. In addition to making presentations on high-performance techniques to large firms, such as IBM, GE and Burger King, Connellan has aided small and medium-sized firms in handling rapid growth and developing appropriate management systems.

Thomas Connellan

Billy and Joyce Burden, back for the second year in a row, will train listeners in memory techniques that will help them forget those days of groping for a customer's name.

The Culinary "Olympics" wrap-up recaptures the excitement of the U.S. Culinary Team's gold-medal performance in the 1984 International Culinary Competition. If you didn't make it to Frankfurt, see the highlights of the seven-day contest on film. Team Manager Ferdinand Metz, Team Captain Richard Schneider and American Culinary Federation President Baron Galand will reminisce and answer questions.

If you have ever pondered the whys and what fors of the restaurant reviewing business, you won't want to miss **Stars and Gripes**—an illustrious panel discussion with *Food and Wine* Editor William Rice, Restaurant Advisor Howard Young and Roger Yaseen, president of the Confrerie de la Chaine des Rotisseurs. Find out what restaurant writers look for, how they go about reviewing and how restaurateurs react to reviewers.

There are other attractions in this year's theatre series, including

- Roger Dawson, who will share insights about your power sources and how you use them to negotiate successfully.
- Peter Harman and Don Smith, who will team up for a lively, down-to-earth presentation on ways to develop human resources.
- Dennis Fox, who will give a presentation called "You can sell me if you can speak my language."

SALUTE TO THE STATES FUNDRAISER

To benefit its political education fund, NRA has organized a fundraising dinner/dance extravaganza called a "Salute to the States." The event, to be held on Saturday, May 18, at the Palmer House in Chicago, will feature the incomparable Tony Bennett and his Trio. Cost of admission is $150.

NRA's political education fund is designed to help foodservice operators participate in all areas of government.

For further information about this event or the political education fund, call Tom Kelley at NRA headquarters in Washington, DC (800-424-5156).

Tony Bennett

NRA WINE CLASSIC JUDGES

- **Jean T. Barrett** *Chicago Sun-Times*
- **Dan Berger** *San Diego Union*
- **Nathan Chroman** *Los Angeles Times*
- **Paul Coss** *The Broadmoor*
- **Kristine Curry** *Chicago Tribune*
- **Fred Dame** *Sardine Factory*
- **Bob Rohden** *Geja's Cafe*
- **Phil De Vito** *Salishan Lodge*
- **Patrick Fegan** *Chicago Magazine*
- **Bruce Galphin** *Atlanta Journal*
- **John Grisanti** *Grisanti's Restaurant*
- **Eric Hansen** *Kapula Bay Hotel*
- **Mort Hochstein** *Nation's Restaurant News*
- **Matt Kramer** *The Oregonian*
- **Joshua Wesson** *Hubert's*
- **Anders Westboe** *The University Club*
- **Kevin Zraly** *Windows on the World*
- **Mike Lonsford** *Houston Chronicle*
- **Jerry Mead** *Syndicated columnist*
- **Paul O'Connell** *Daily Herald*
- **Ed Osterland** *Restaurant Business Magazine*
- **Bill Pigatti** *Del Rio Restaurant*
- **Ross "Pete" Racine** *The Grand Mere*
- **Mary Ross** *The 95th*
- **Robert Rosellini** *The Other Place*
- **Paul Ryan** *Pierce's 1894 Restaurant*
- **Norm Roby** *The Wine Spectator*
- **Anthony Taylor** *The '21' Club*
- **Vittorio Treppo** *Williamsburg Inn*
- **Madeline Triffon** *La Fontaine Restaurant*
- **Alan Fields** *Helmsley Palace*

- **David Armanasco** *Chairman of judges*
- **Robert Weaver** *Technical director*

BEVERLY SILLS TO SPEAK AT FIRST LADIES LUNCHEON

At NRA's First Ladies Luncheon, America's most beloved opera star, Beverly Sills, will reveal the inner strength that has enabled her to deal with success and disappointment throughout her remarkable career. After singing starring roles in more than 100 operas and appearing on virtually every major stage in the United States and Europe, Sills began a new career as general director of the New York City Opera several years ago.

The luncheon will honor Elaine Machus, the wife of NRA President Harris O. Machus, and the spouses of former NRA presidents.

NRA

SATURDAY, MAY 18

8:00 a.m.
NRA Executive Seminar Series, registration and check-in for one-day and two-day programs. McCormick Place/lobby level.
9:00 a.m.–5:00 p.m.
Seminars with one-hour lunch break.

One-day seminars
- Computers in foodservice: A primer
- Creative merchandising techniques
- Menu development
- Increasing foodservice productivity

First day of two-day seminars (continued May 19)
- Planning and implementing restaurant marketing strategy
- Restaurant design and facilities planning
- Operational analysis
- Location! location! location!

10:30 a.m.–5:00 p.m.
Dealer/supplier press preview of exposition, McCormick Place
12:00 p.m.
Hennessy Awards luncheon, Palmer House (ticketed affair)
5:00 p.m./6:10 p.m.
R-TV on your hotel television

Salute to the States
Tony Bennett and his Trio, Palmer House (ticketed event)

SHOW SCHEDULE

SUNDAY, MAY 19

7:00 a.m.
R-TV on your hotel television

8:00 a.m.
- The Main Course at Buckingham Fountain (in Grant Park)
- NRA Executive Seminar Series, registration and check-in for one-day and two-day programs. McCormick Place/lobby level

8:10 a.m.
R-TV on your hotel television

9:00 a.m.–5:00 p.m.
Seminars with one-hour lunch break

One-day seminars
- Computers in foodservice: advanced technology
- Kitchen management
- Dining room management
- Employee motivation

Second day of two-day seminars
- Planning and implementing restaurant marketing strategy
- Restaurant design and facilities planning
- Operational analysis
- Location! location! location!

10:30 a.m.–6:00 p.m.
- Exposition open, McCormick Place
- Culinary Arts Salon, Chicago Room, upper level, McCormick Place

1:30 p.m.–3:30 p.m.
Opening day program, Arie Crown Theatre, McCormick Place
- *Musical warm-up: The Arbors* (1:30 p.m.)
- *Welcoming address:* NRA President Harris O. Machus (2:00 p.m.)
- *Keynote speech:* Paul Harvey

4:00 p.m./5:10 p.m.
R-TV on your hotel television

9:00 p.m.–1:00 a.m.
Convention Capers, Grand Ballroom, Palmer House
- Tommy James (of The Shondells)
- The Joe Cantafio Band

MONDAY, MAY 20

7:00 a.m./8:10 a.m
R-TV on your hotel television

9:30 a.m.–5:00 p.m.
- Exposition open, McCormick Place
- Culinary Arts Salon, Chicago Room, upper level, McCormick Place.

10:30 a.m.–4:00 p.m.
NRA Wine Classic, Lindheimer Room, McCormick Place

10:30 a.m.–noon
NRA Theatre Series, McCormick Place
- Calvin Trillin
- Stars and gripes: Panel of restaurant experts, including William Rice, Howard Young and Roger Yaseen
- Billy and Joyce Burden

Management clinics, McCormick Place
- How does your restaurant "feel," (Tom Costello)
- Everybody wins
- CHART presentation I
- Success profiles

11:30 a.m.
First Ladies Luncheon, Chicago Marriott Hotel (ticketed event); *Speaker:* Beverly Sills

2:00 p.m.
NRA Theatre Series, McCormick Place
Billy and Joyce Burden (continuation of morning session)

2:00 p.m.
Annual NRA membership meeting, Drury Lane Theatre, McCormick Place
- *Election of officers*
- *Speaker:* J. Peter Grace

2:00 p.m.
Management clinics, McCormick Place
- This little fishy went to market
- Tourism: Creating new customers
- CHART Presentation II
- Woman as "boss" (panel)

4:00 p.m./5:10 p.m.
R-TV on your hotel television

9:00 p.m.–1:00 a.m.
Convention Capers, Grand Ballroom, Palmer House
- The Charly McClain Show
- Buck's Stove and Range Company

TUESDAY, MAY 21

7:00 a.m./8:10 a.m.
R-TV on your hotel television

9:30 a.m.–5:00 p.m.
Exposition open, McCormick Place

10:30 a.m.–4:00 p.m.
NRA Wine Classic, Lindheimer Room, McCormick Place

10:30 a.m.–noon
NRA theatre series, McCormick Place
- Jeff Smith ("The Frugal Gourmet")
- Thomas Connellan
- Teaching employers to be better employers (Peter Harman and Don Smith)

Management clinics, McCormick Place
- Light and low
- Older workers in the foodservice industry
- CHART presentation III
- Waste not, spend less

2:00 p.m.
NRA theatre series, McCormick Place
- Dennis Fox: You can sell me if you speak my language
- Culinary "Olympics" wrap-up
- Roger Dawson: The art of negotiating

Management clinics, McCormick Place
- Vegetables nouveau
- CHART presentation IV
- Great potential employees: Skill-trained persons with disabilities

4:00 p.m./5:10 p.m.
R-TV on your hotel television

7:00 p.m.
NRA Grand Banquet and Show, Hyatt Regency Chicago (ticketed event) Featuring Paul Anka

WEDNESDAY, MAY 22

9:30 a.m.–3:00 p.m.
Exposition open, McCormick Place

10:30 a.m.
Management clinics, McCormick Place
- A change in attitude puts dollars in your pocket
- CHART presentation V
- Here come the judges

THE MANAGEMENT CLINIC GETS DOWN TO BASICS

Workshops in NRA's Management Clinic take restaurant professionals back to basics—that is, the basic principles they need for staying power in today's competitive market. So get ready for a great lineup of nuts-and-bolts sessions.

Everybody wins. A presentation in cooperation with the National Alliance of Business will show how the Targeted Jobs Tax Credit (TJTC) and other government incentives can pay off both for you and qualified trainees.

CHART presentations. In a series of five informative sessions, the Council of Hotel and Restaurant Trainers (CHART) will make you an expert on human resource development.

Success profiles. Consultant Ted Thelander will discuss new research that leads to impressive results by applying a reading of personality traits to the process of hiring and training.

This little fishy went to market. But the other little fishy stayed home. Why will customers buy one product and not the other? Researcher Bob Lewis of the University of Massachusetts has the answers.

Tourism: creating new customers. The University of Tennessee's Mike Evans offers convincing evidence that your efforts to stimulate tourism will benefit not only the community but also your own business.

Woman as "boss". A panel discussion, co-sponsored with the Roundtable for Women in Foodservice, explores the expanding managerial role of women. It will cover practical strategies, risk taking, monitoring, networking and turning negatives into positives.

Light and low. Why put lighter, lower calorie and more healthful items on your menu? A panel, moderated by NRA director Steve Huse of Noble Roman's, and including Anthony Chan of Xian Express and Tom Bloom of the Culinary Institute of America, shows why this national trend makes good nutritional and business sense.

Older workers in the foodservice industry. Robert Reid of the Virginia Polytechnic Institute explains how to draw on the growing percentage of older workers as the number of young workers declines. This workshop was prepared jointly with the Council on Hotel, Restaurant and Institutional Education (CHRIE).

Waste not, spend less. A panel of foodservice energy specialists will show you how to cut costs, using the results of NRA's Project on Restaurant Energy Performance as a guide.

Vegetables nouveau. Purple kale, yellow tomatoes, peppers of every hue? No, your eyes are not deceiving you. Produce expert Andrew Udelson will introduce you to the exotic array of new fruits and vegetables and explain how they can jazz up your menu.

Great potential employees: skill-trained persons with disabilities. An expert panel drawn from government agencies and the foodservice industry will show why hiring people with disabilities may be a smart move. In fact, these people may turn out to be some of your most willing, reliable employees.

A change in attitude puts dollars in your pocket. Your attitude has a direct effect on the attitudes of employees, says Susan Clarke in this back-to-basics program. She will also emphasize the importance of hospitality, image, service techniques and guest relations.

Here come the judges. Following two days of tasting at the NRA Wine Classic, some of the country's top wine experts will be on hand to field your questions on wine.

PAUL ANKA ON STAGE FOR BANQUET

Songwriter and vocalist Paul Anka, who started his career with the smash hit "Diana" in 1956 and went on to write and croon such classics as "My way" and "Put your head on my shoulder," will be the featured entertainer at the Grand Banquet and Show. Anka will delight guests at the festivities, with hits spanning the last three decades. Kip Addotta, a comedian who has appeared many times on "The Tonight Show" and hosted his own cable television comedy program, will also perform.

Held in honor of the incoming NRA president, the Grand Banquet and Show is the grand finale to the world's greatest hospitality show. The admission tickets cover a reception, a gourmet dinner, continuous music and dancing to the Dick Judson Orchestra and, of course, the extraordinary Paul Anka Show. To obtain tickets at $100 each, contact Philip Kralovec, NRA, 150 N. Michigan Ave., Chicago, IL 60601; (312) 853-2525.

TOP PERFORMERS SIGNED FOR CONVENTION CAPERS

Buck Stove and Range Co.

Kick up your heels or just sit back and relax at the Convention Capers, a two-night extravaganza of dancing and top-flight entertainment offered at no extra charge to Show participants. An NRA badge is all you'll need to join the festivities in the Grand Ballroom, Palmer House.

Remember "Crimson and clover"? How about "Crystal blue persuasion"? Those songs are just a sampling of the golden oldies you'll hear when Tommy James (yes, he was with The Shondells) entertains the Convention Capers crowd on Sunday, May 19. Then get ready for The Joe Cantafio Band—formerly known as Jade—to sing rock and roll favorites of the past three decades. Back for an unprecedented third year, the band is better than ever.

Country sounds will be in the air as the Convention Capers continue the following night. One of today's top female vocalists, Charly McClain, blends traditional country rhythms with a bright, contemporary feeling in such numbers as "Who's cheatin' who" and "Sentimental Old You." And when Buck's Stove and Range Company plays, it's some of the best country bluegrass you'll ever hear.

Charley McClain

CULINARY ARTS SALON CELEBRATES FIFTEENTH BIRTHDAY

After 15 years, NRA's Culinary Arts Salon is still going strong. Once again, several hundred chefs, apprentices and students will display their culinary skills in a stunningly beautiful cold food competition.

Eminent chefs and other foodservice professionals will evaluate hundreds of entries and select winners in the following categories: Grand Prize of the Entire Show, Grand Prize—Pastry Display, Best of the Show, Most Original Piece of the Show, Judges' Special Award and Best Entry from a Junior Culinarian. The NRA Culinary Arts Salon is endorsed by the American Culinary Federation and the Chefs of Cuisine Association of Chicago.

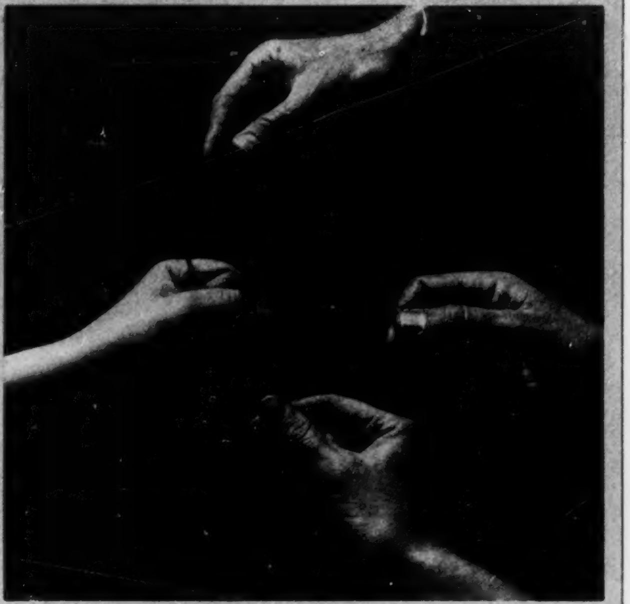
The deadline for entering the competition is May 1. The application fee is $25. If you are interested, contact Lori Pritzker, NRA, 150 N. Michigan Ave., Chicago, IL 60601; (312) 853-2525.

NO SHORT STRAWS AT NRA SEMINARS

An even dozen of NRA's most popular seminars illustrates this year's theme: "In foodservice, you can't depend on the luck of the draw." To build the expertise you'll need to beat the odds, choose among eight one-day seminars and four two-day seminars offered Saturday, May 21, and Sunday, May 22. They're designed to perfect the skills of the seasoned restaurateur as well as the novice. Registration and check-in take place at 8:00 a.m. on the morning the seminar begins.

The cost ranges from $95 to $185 for the one-day seminars and from $310 to $390 for those lasting two days. Except for a few of the one-day sessions, special rates are offered when two or more representatives of a company attend the same seminar.

For details, contact NRA, Education Programs Department, 311 First St., N.W., Washington, DC 20001; (202) 638-6100 or (800) 424-5156.



ONE-DAY SEMINARS . . .

Computers in foodservice: A primer. Find out how the new technology can help you cut costs and maximize profits.

Creative merchandising techniques. Master simple, effective and inexpensive merchandising techniques that can dazzle your customers and daze the competition.

Menu development. Learn how to make your operation's menu an unparalleled sales and marketing tool.

Increasing foodservice productivity. Collect tips that will increase efficiency from the back of the house to the front in any foodservice operation.

Computers in foodservice: advanced technology. Learn how to use your computer to its fullest potential and survey the latest developments in hardware, software and integrated system design.

Kitchen management. Listen to easily implemented, money-saving techniques for improving productivity and efficiency in the back of the house.

Dining room management. Acquire advanced skills in running a successful dining room operation.

Employee motivation. Find out how to recognize—and hire—the motivated applicant as well as how to motivate the employees you already have.

TWO-DAY SEMINARS

Planning and implementing restaurant marketing strategy. Get the scoop on building a marketing program suited to your operation.

Restaurant design and facilities planning. Learn to avoid costly mistakes and get the results you want by controlling your project.

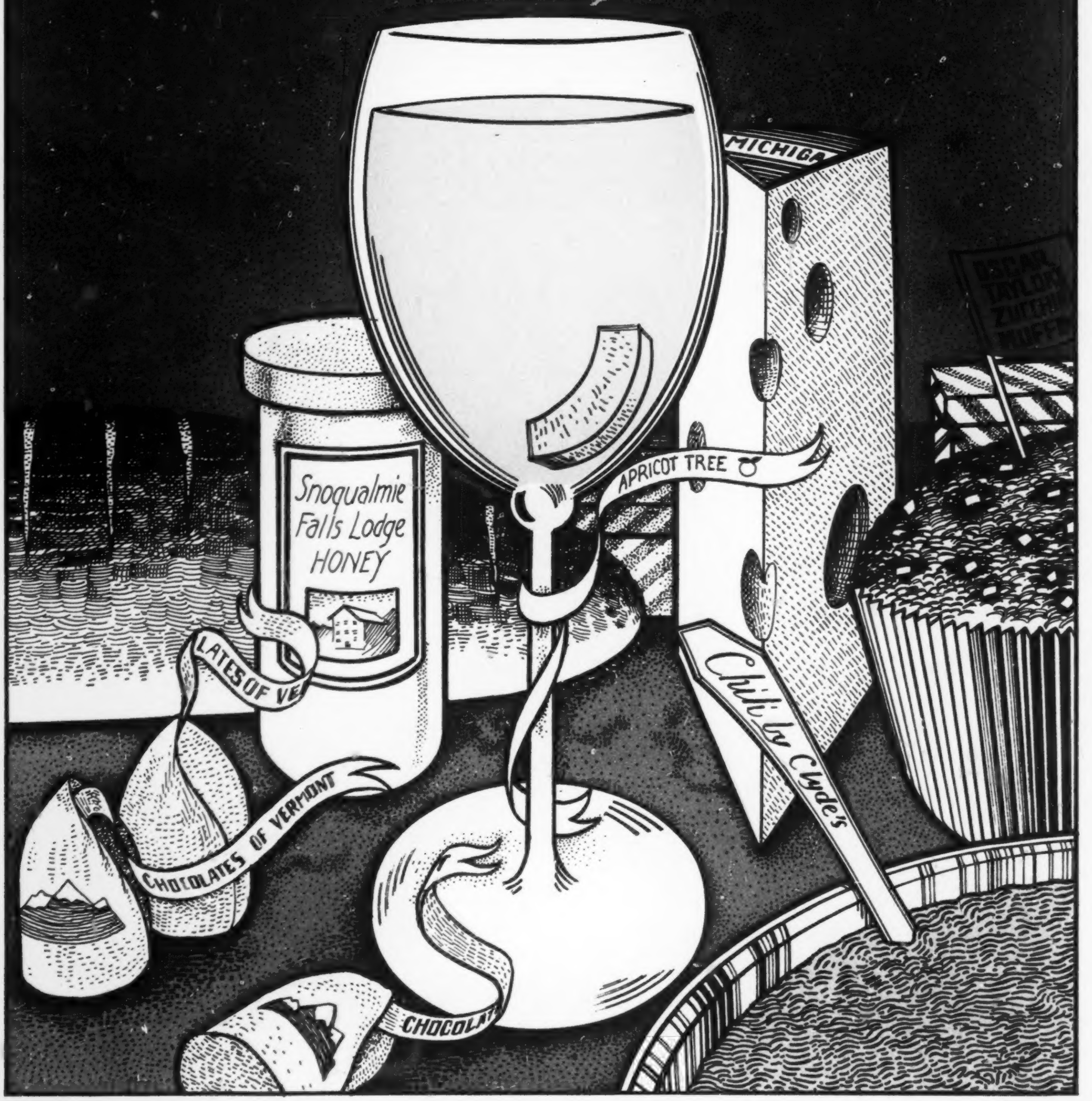
Operational analysis. Use in-depth procedures to analyze your operation, from financial and sales data to labor and food costs.

Location! location! location! Confront—and conquer—the problems of starting a new operation.

From Candy Counters to Boutiques

RESTAURANTS AS RETAIL CENTERS

by Kathy Boyle


MICHIGA
Snoqualmie Falls Lodge HONEY
APRICOT TREE
LATES OF VE
CHOCOLATES OF VERMONT
CHOCOLAT
Chili by Clyde's

Remember the lackluster candy and gum counter with a few foil-wrapped mints, Lifesavers and Wrigley's gum? Today, that small area of restaurant floor space is being revolutionized. Innovative entrepreneurs are turning this space into lively boutiques to sell their own bottled, frozen or canned products or a line of gift items. With elegant chocolates, gourmet sauces and souvenirs based around the restaurant's theme, enterprising operators are making dollars.

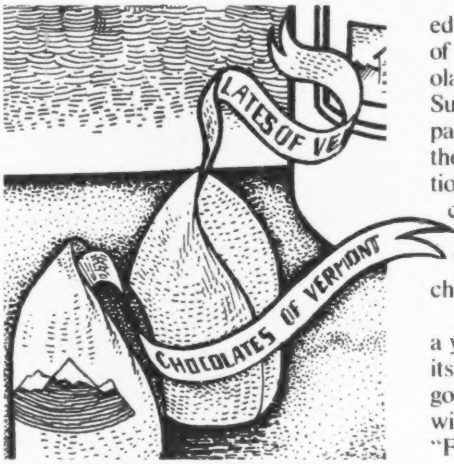
A marketing tool becomes a profit center . . .

When Oscar Taylor's prime rib and steak restaurant opened in an affluent northern Phoenix shopping center in September 1980, customers walked by an exhibition butcher area and bakery on their way to their seats. From their tables, customers could watch and smell zucchini muffins and carrot cakes being made. Just six months later, the demand became so great for items to take home, "we had to break out a wall," explains Terry Cera, manager of public relations for Oscar Taylor's. At the same time, the restaurant added a second entrance on the other side of the exhibition area to open into the shopping center. The cost of physically expanding was not high, simply the cost of knocking out a wall, installing some shelving, paying for a little redecorating and the bakery entrance opening at 8 a.m. instead of 11 a.m., when the restaurant opens.

In addition to baked goods, the Upper Crust area, as it is now known, sells a variety of other take-home items, such as barbecue sauce, jams, mustards, zucchini relish and strawberry preserves. Cera estimates that 15 percent of the business at the location is retail sales, or roughly $800,000.

The unexpected success of a retail sales area quickly spread to the 16 other restaurants operated by the company. In some operations there was physically not enough space to add a retail area. "In place of the old hostess stand, we added refrigerated cases to display our carrot cake and other specialty items," explains Cera. To keep up with growing demand, Oscar Taylor's purchased a production bakery. Items are made fresh at the bakery and sent to the restaurants, except for certain items like zucchini batter and croissants, which are sent ready to be cooked. "Customers are encouraged to order from our bakery; the item is then delivered to the restaurant that is most convenient for the customer," says Cera. "Now when the company expands, we automatically build a retail market into it." At the most recent company addition, the market sells entrees, specialty items, cheeses and the restaurant's own preservative-free, bottled sauces.

It is possible to overstretch one's resources, however. Oscar Taylor's found out the hard way when it took 800 square feet of space in a shopping center to sell chocolate. "It was too much of a strain on our bakery people," Cera recalls. "It was a different line of business, and we had to close it."



The sweet success of chocolate . . .

The Ice House Restaurant in Burlington, VT, however, has made a great success of the chocolate business. Ice House owner Jim Lampman wanted top-of-the-line luxury chocolates for both his dessert menu and to serve at the cashier area. So he began researching and sampling products. When the search for the perfect truffle was over, Lampman found himself in the chocolate business as owner of the Champlain Chocolate Company.

"When we began researching the market, we saw a lot of fancy boxes and promotions featuring glamour and moonlit nights, but little high quality chocolate," Lampman recalls. So he and his former pastry chef, Tad Spurgeon, began experimenting with truffle recipes and found one that was a success. The truffles are made from 100 percent Callebaut chocolate from Belgium, VT, heavy cream, sweet butter and special flavors. No preservatives, additives, extenders or artificial ingredients are used. Current truffle flavors include Grand Marnier, French roast, Amaretto praline, cappuccino, raspberry, walnut, champagne orange and vanilla malt.

The truffles have been so popular that four months after piloting the first line of chocolates the Champlain Chocolate Company introduced a second product line, Chocolates of Vermont. These are a more traditional line of molded, foil wrapped chocolates, but the scenes carved into the molds are reminiscent of Vermont; the "Green Mountain" chocolates—almonds and raisins inside a mixture of dark milk chocolate—are even snowcapped in white chocolate.

"Two-and-a-half years ago we started with a cabinet in the entry lounge of our oyster bar to display the chocolates," observes marketing manager Suzanne Mekler. "Now we greatly expanded the space to make room for the demand. It has been a good addition to the total business. People come in for chocolates, and then go to the restaurant or vice versa. On Valentine's Day we did $3,000 in chocolate sales alone."

As often happens with a good idea, a year ago, the Ice House expanded its retail selections by featuring other gourmet foods, salads, cheeses, wines and souvenirs of Vermont in a "Food Discovery" section next door to the restaurant. "In the summertime we are extremely busy. Because people have to wait, they often go into the Food Discovery," Mekler says.

There has been other expansion as well. Lampman markets his chocolates to retail accounts, mostly specialty food stores and corporate buyers, and has developed a mail order program that ships anywhere in the U.S. Because truffles should be displayed in a temperature-controlled case in order to preserve their freshness, the Champlain Chocolate Company has worked with a local craftsperson to design a cabinet with a compressor. This cabinet sells for $3,500, and seven or eight have already been sold.

Kathy Boyle is a free-lance writer in the Washington, DC, area who frequently writes on foodservice topics for ***NRA NEWS***.

Catalog sales build on success of restaurant's image

The Snoqualomie Falls Lodge, a 140-seat restaurant overlooking breathtaking Snoqualomie Falls, WA, is a 68-year Northwest tradition. Known for its "world-famous farm breakfast," the lodge has been selling a line of its own products for about 30 years. Within the past two years, however, partners Bob Bartell and Lee Alexander purchased the exclusive marketing rights for Snoqualomie Falls Products and formed a separate company, Snoqualomie Falls Lodge Gifts, Inc. The advantage to separating the products business and the foodservice operation, according to Lee Alexander, was marketing. Alexander quickly moved the small line of products, which had been exclusively sold in the small gift area adjacent to the lodge, into a wider market via a product catalog.

"We wanted to translate the good feelings created by the world-famous breakfast at the lodge into something the customer could recreate," says Alexander. The result was a successful catalog with 18 different gift packs. They range from a $7.95 pack to the $15,000 "Fun Fantasia Dream Breakfast for Two." For the $15,000, two adults are entitled to fly to Seattle from anywhere in the world. They are met by limousine and whisked away to five-star gourmet meals, including a farm breakfast at the lodge. Also included are a deluxe hotel suite and a private helicopter tour of the Pacific Northwest. Although Snoqualomie Falls Lodge Gifts didn't sell the $15,000 version last year, there are plans to give a mini-dream breakfast away this year to spark interest.

Most of the gift pack products center around the lodge's breakfast items, especially the old fashioned, hard-rolled oatmeal pancake and biscuit mix, fresh fruit preserves, syrup and honey but Northwest smoked salmon, apples and spices for chicken and seafood used at the lodge round out the choices. "By combining the quality products into gift packs, rather than selling them individually, we created something people were willing to pay a little more for," says Alexander. "In other words, the sum of the whole is greater than the parts."

"If you know anything about the catalog business, you know that you don't make much your first year out," says Alexander. "We consider we were very successful getting about a three percent return rate on our 100.000 catalogs when the industry rule of thumb return is only about two percent."

Located in the second busiest park in the State of Washington, Snoqualomie Falls Lodge Gifts plans to tap into the large summertime population in building a larger national clientele. The company is also purchasing mailing lists.

Currently, the Snoqualomie Falls Lodge Gifts works closely with non-profit community organizations, allowing the non-profit groups to sell the products as a fundraiser. And, finally, leaving no stone unturned, Alexander has begun limited marketing of the products in Northwest supermarkets.

CATALOG
Summer 1985

A showcase for products . . .

The venerable French caviar firm, Petrossian, opened what possibly may be one of the most upscale candy and gum counter boutiques to date, adjacent to its resplendently furnished New York City restaurant in historic Alwyn Court. "We were looking for another distribution method. The boutique and tasting counter provides a perfect showcase for our products and the special art of living they convey," explains Christian Petrossian, president and chairman of Petrossian.

The product boutique and tasting counter is separated from the restaurant by plants, and guests must walk through the area to enter the restaurant. Caviar, smoked salmon, sauces in jars, foie gras and truffles can be sampled at the tasting counter. The products average about 40 percent of the restaurant's sales, says Petrossian, who explains that he only adds a 10 to 20 percent markup on the products for customers who eat in the restaurant.

Food boutiques in hotels, too . . .

Developers of the Amway Grand Plaza Hotel in Grand Rapids, MI, decided that a gourmet retail shop would complement the hotel's seven restaurants and room service. The shop, called Cornucopia, gives hotel guests and visitors an opportunity to buy breads, pastries, quiches and salads fresh from the hotel's kitchens. In addition, the shop has a Michigan theme and features quality Michigan brownwood mustards, American spoon jams and locally famous Treetop Farms cherries and blueberries along with venison pate. The store also carries a line of Dutch gourmet items, meats and cheeses. Connected by skywalks to office buildings, the shop does a tremendous volume of breakfast and lunch business. "Our Christmas business doubled this year," says Ted Novakowski, manager of Cornucopia. "We developed a newsletter which is mailed out every other month to about 12,000 professional people in the area."

Novakowski notes that local customers travel 40 to 50 miles to pickup some special item or fresh breads, and the Amway Grand Plaza has a free parking area across the street for Cornucopia customers.

Gift areas can offset seasonal shift in sales . . .

The 250-seat Apricot Tree Restaurant, off Interstate 5 in Firebaugh, CA, halfway between San Francisco and Bakersfield in the rural San Joachin valley, draws tourists and two or three tour buses a week during the busy summer season. To augment restaurant sales, the Apricot Tree runs a flourishing "apricot theme" gift shop, which grosses $40,000 to $60,000 a month during the summer.

Besides a variety of apricot jams under their own label, there is a wide assortment of apricot and fruit wines from local California wineries. "We always offer samples of the wines to guests in the restaurant," explains Richard Birch, manager. "The samples enhance sales of the gift shop, as travellers can order the wines from the gift shop to be brought to their table and added to their restaurant bill."

There are apricot wine glasses that can accompany the wine. These feature an etched apricot tree or a silk screen colored version. There also are apricot wine mugs and ashtrays with the Apricot Tree logo, as well as an assortment of high-ticket plush animals. A popular new addition to the gift shop is a fresh butter and cream fudge making machine. Besides attractively packaged tin containers of fudge, customers can order homemade fudge cones. On Valentine's Day, personalized hearts of fudge were a big seller, and fudge Easter eggs are also in the works.

"The majority of our customers come in for the restaurant, but they end up spending some time in the gift shop," notes Birch. "Those customers that drop in just for the gift shop often end up staying to eat at the restaurant. So it works both ways." Overall, the gift shop has less seasonal shift in sales than the restaurant. "For example, if restaurant sales drop 25 percent between summer and winter," says Birch, "the gift shop may only drop 10 to 15 percent."

Fixings for a barbecue picnic . . .

Because Wolfe's barbecue has been the famous menu mainstay at Wolfe's Bar-B-Q restaurant in Evansville, IN, for several generations, it found its way into grocery stores nearly 25 years ago. Impulse buyers can still buy the restaurant's frozen product from freezer units adjacent to the restaurant, but retail sales focus more on a picnic theme. "We want to provide people with everything they may need for a picnic—plastic cutlery, plates, napkins and items which go with barbecue, such as pickles, chips and breads." The latest invention in one-stop picnicking helpers are Wolfe's own bags of hickory wood chips (the same kind they use in the restaurant to cook the barbecue). "We package the wood chips under our own label in small, three-pound bags with instructions on how to use them for the best barbecue. It seemed to be a natural addition to our theme and has done very well."

Boutique items can provide free advertising . . .

"I guess it all began when we pinned up a Clyde's T-shirt behind the cash register 17 or 18 years ago," according to restaurateur John Laytham, co-owner of Clyde's, the popular Washington, DC, watering hole. "It was a lark, but it really took off," Laytham recalls. "In fact, today our political T-shirt with an elephant and a donkey might be seen on the streets of Bangkok or down the slopes of Aspen."

In addition to the Clyde's sweatshirts, belt buckles and beach towels, Clyde's also packages its own brand of chili con carne (even sold in six-packs).

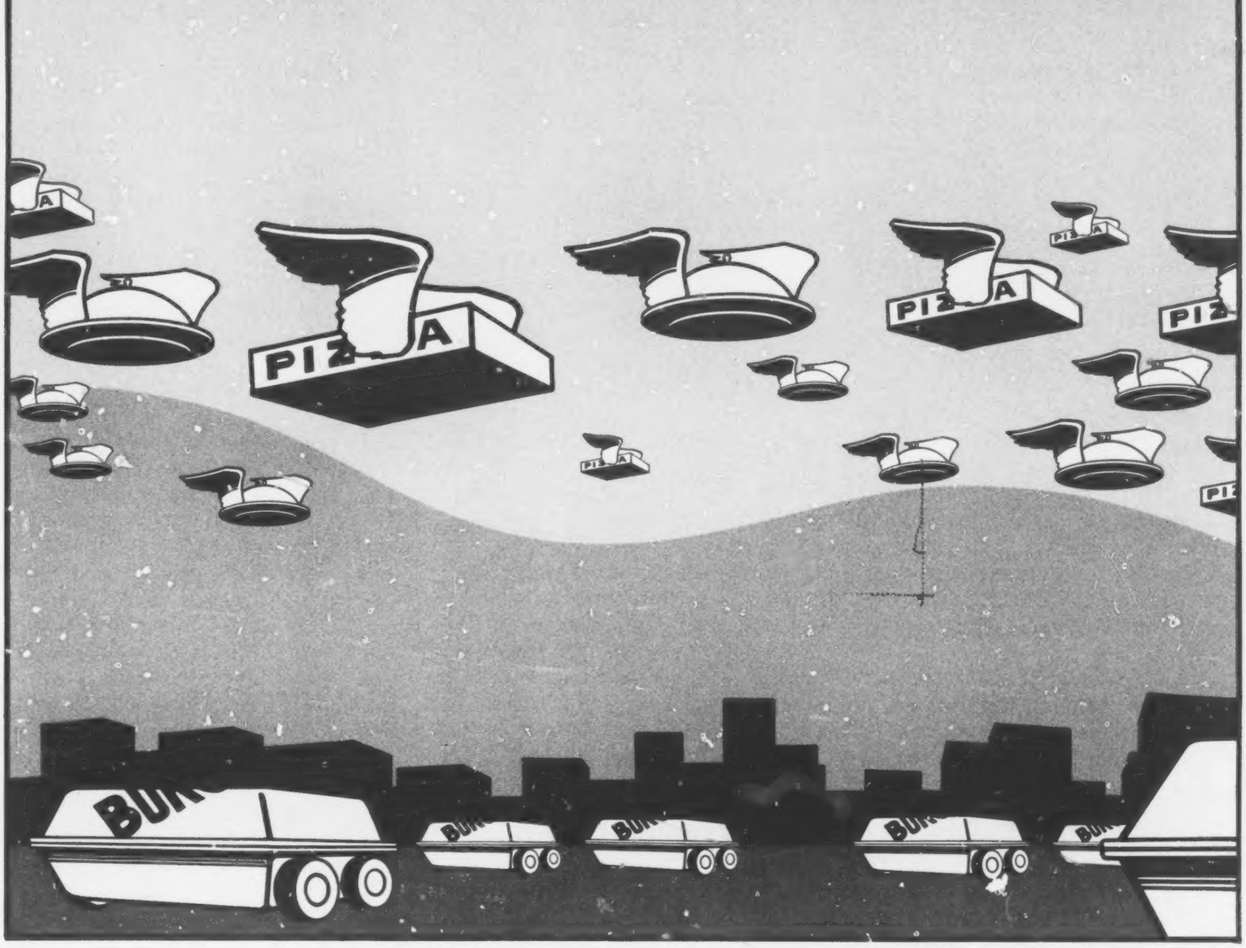
Britches of Georgetown, a popular men's clothing store a few doors away, became a co-marketer of Clyde's chili. Today, the chili is sold in every one of the 20 Britches clothing stores. Adding up the totals, "we did about $100,000 at the four restaurants last year," says Laytham, "and another $100,000 outside of the restaurant on these gift and food items. We have almost a 100 percent markup on the items. For example, if we buy a T-shirt for $3 we sell it for $6, and we make $1.10 on every can of chili."

Earlier this year, when Clyde's cut through another entrance at the Georgetown restaurant to open onto a new shopping mall, they added a display area for their gift and food items in the entranceway. According to Laytham, "We added the entrance to expose ourselves to 1,000 to 5,000 potential customers each day."

In sum . . .

A product or gift selling area works best when it is a natural extension of something the restaurant already does well, whether it is an established theme, an already successful line of baked items, famous chili or well-known caviar.

OPERATORS BRING FOOD TO CUSTOMERS



by Anne Papa

Foodservice, once considered a luxury, is now a necessity. Gone are the days when restaurant meals were reserved only for special occasions. Today, more and more consumers are looking toward foodservice to satisfy their growing need for convenience on a daily or weekly basis. In fact, an NRA consumer attitude and behavior study conducted in 1982 revealed that 55.4 percent of those surveyed said that a need for convenience or lack of time was their primary reason for eating in restaurants.

Increase in home delivery . . .

How are operators meeting the demands for convenience? By increasing customer access to their establishments. One key way is through home delivery. For fast food chains, which have built their reputations on prompt and convenient service, home delivery is the next logical step in meeting their customers' demands.

This past winter, Dennis Erwin, owner of eight Burger King franchises in the Columbus, OH, area, tested home delivery service for 10 weeks in his Gahanna, OH, unit. The test was the first of many the Burger King Corporation plans to conduct before rolling out the service nationwide.

Although test findings are still being analyzed, Erwin says preliminary indications are positive. "Overall reaction to the service was very good, particularly during the coldest weeks of winter," he says. In the initial stages of the test, customers were charged an extra five percent on their order for the service; by the test's conclusion, the surcharge had been upped to 10 percent. The service was advertised throughout Gahanna in small community newspapers and by direct mail.

Erwin says Burger King's home delivery service is an outgrowth of a mobile unit concept the corporation developed last year. Called the Burger Bus, Burger King's mobile unit (invented and owned by Erwin) is actually a complete, self-sufficient Burger King restaurant on wheels. Erwin says the Burger Bus has become a familiar sight at local factories, at special events and in nearby towns which have no Burger King units.

"Home delivery is a logical expansion on the Burger Bus concept," comments Erwin. "The overall aim of both services is the same—to bring our food to customers who don't have the time or opportunity to come into our restaurants. We're finding there are more and more of these customers."

Computerized home delivery . . .
Pantera's Corporation (Florissant, MO), the company behind 59 Pantera's units, concentrated in the St. Louis area, has computerized its home delivery system to maximize efficiency. The computerized order-taking center documents every pizza ordered from each Pantera's outlet. The system works this way: A customer calls a centralized order-taking center, where the order is taken by one of 30 terminal operators. The operator also asks the customer a series of questions to facilitate delivery, such as: "What is the fastest route to your home? Does your house have any distinctive characteristics that may help our driver to recognize it easily, such as a statue on the lawn or a green Chevy in the driveway?" Responses are then entered into the computer. The next time the customer calls, the computer operator can simply retrieve the stored information and dispatch a driver.

The advantages to the system are numerous, according to Franklin Allen, president and chairman of Pantera's. "First and foremost, our computerized system saves time," explains Allen. "If a customer is ordering a pizza for the first time, the order takes no more than a minute and a half to process. That person is then entered into the computer's memory. Any subsequent orders take no more than 20 seconds, tops."

Not only is Pantera's home delivery service efficient, points out Allen, but, since all orders are processed at one central location, customers need to memorize only one telephone number. The computer center's phone number is the focal point of the company's advertising campaign. "Every bus in St. Louis has our phone number on it—in numbers eight-feet high," he boasts. "Our number is flashed on screens and sung in jingles throughout the city." Although the system has only been in place since December, Allen predicts the time will come when "every bellhop, every cab driver, every person on the street will be able to rattle Pantera's phone number right off the top of their heads."

Allen says the success of the service thus far is directly related to the increased value customers have been forced to place on their time. But people's expectations about the quality of food aren't lessened simply because they're eating it at home. In fact, he has observed that customers have become more discriminating than ever. "They expect the same quality in food brought to their homes as they do in food served at a restaurant," he says. To assure that these expectations are met, Pantera uses the computer to monitor customer satisfaction. If a customer makes only one order in a long period of time, Pantera calls to find out why.

Home delivery via air . . .
Although most companies establish a limited mile radius for their home delivery service, some offer home delivery nationwide. Companies that produce distinctive signature items, such as White Castle, Inc. (Columbus, OH), which is famous for its tiny, square, "slider" hamburgers, are finding that home delivery via air is an ideal way to broaden their market range.

"We call our home delivery service 'Hamburgers to Fly,' " says Bob Goldberg, assistant director of marketing for White Castle. Goldberg says the company's signature hamburgers are cooked, frozen and packaged in dry ice. The burgers are then sent by overnight express mail to any location in the United States.

"The service is tremendously popular," he says. "There are many people who grew up on our hamburgers, then moved away from our marketing area and couldn't get them. These are the same people who are now making more money than ever before—money they can spend the way they want to. Rather than coming back to Illinois or Ohio for our burgers, these people can afford to have them delivered to their doorstep." Goldberg estimates that approximately 350,000 burgers were shipped nationwide last year.

"Shore to Door in 24" is the slogan which Legal Sea Foods (Boston, MA) uses to advertise its nationwide home delivery service. Legal Sea Foods, which operates four restaurants in Boston, has earned a national reputation for its fresh seafood. In response to continuous requests from satisfied customers, two years ago the company decided to ship its fresh products to points nationwide.

"People who receive these packages are just bowled over," says Douglas Van Norden, director of mail order marketing and sales, "especially if they live in a landlocked region, such as the Midwest." Van Norden says the primary users of the service are—again—the "baby boomers," professionals who know what they want and are willing to pay for it.

Bringing customers to the food

"Instead of bringing the food to the customers, we bring the customers to the food," quips Adelina Calahan, owner of La Fonda restaurant in Washington, DC. La Fonda has joined forces with a neighboring establishment, El Bodegon, in organizing a free shuttle service to and from nearby office buildings during lunch hour.

Calahan says the restaurants decided to implement the service last year when the parking lot adjacent to both restaurants was sold. "Customers had to park on the streets and were getting ticketed or towed away," she explains. "Our lunch business took a nose dive." So the owners of La Fonda and El Bodegon pooled their resources, purchased a 14-seat van and hired a chauffeur. Calahan says the convenience and novelty of the service have created a lunchtime business boom. The van, emblazoned with the logos of both restaurants, makes an average of two trips daily to pick up groups of people whose offices are within a five-mile radius.

Malisa Tripodi, president and co-owner of El Bodegon, feels the shuttle service is right on target with the demands of the surrounding business community. "Our customers are busy people," she says. "Lunchtime has become worktime, especially here in Washington. Our shuttle service saves valuable time for our patrons—*and* it makes them feel important." She says the shuttle will travel longer distances on occasion to transport regular customers, and it is frequently dispatched during the dinner hour as well.

STRICTER RECORDKEEPING REQUIREMENTS FOR SOME BUSINESS EXPENSES

As we went to press, the 1984 auto log rules were repealed by both the House and the Senate. The details remain to be worked out.

by Richard J. Power, Esq.

With 1984 taxes now out of the way for most taxpayers, it is not too soon to begin thinking about next year's return. Here are some pointers to make sure your recordkeeping practices are in line with new requirements.

Beginning this year, restaurant owners and other business men and women face stricter recordkeeping requirements for automobile and other equipment expenses claimed as tax deductions. Tax benefits are severely curtailed on vehicles and computers which are used partly for business and partly for personal purposes.

Generally, the Tax Reform Act of 1984

- *imposed strict recordkeeping requirements on all travel and entertainment expenses.*
- *limited the amount of investment tax credit (ITC) and depreciation deductions allowed for business cars.*
- *drew a bold line between the deductibility of automobiles used more than 50 percent for business and those used less than 50 percent.*

Where business use is 50 percent or less, the property will not qualify for ITC and the business part will be depreciated using the straight line method over extended recovery periods, i.e., a 12-year straight-line recovery period would apply to computers, a five-year period to autos.

Recordkeeping rules more detailed . . .

The automobile recordkeeping rules in the 1984 Act caused the greatest hue and cry among business taxpayers and their lobbying groups in Washington. Whereas a businessperson was formerly required to supply only "adequate records" to substantiate business uses of automobiles, the 1984 Act requires maintenance of "adequate contemporaneous records." The taxpayer is required to provide receipts for all expenditures, such as gas, oil, repairs, purchase price of the auto and so forth, and must keep a detailed daily mileage log showing driver's name, business purpose for use of the auto (i.e., "meeting with client X" or "sales presentation to customer Y"), miles driven and date.

The act imposes a similar requirement with respect to business use of home computer equipment. A business expense log must indicate user's name, business purpose for each use, i.e., name of client and specific project worked on, amount of time machine is in use and the date.

The use of a daily log establishes the proper percentage of tax-deductible business use. The computer log should account for personal as well as business use so that the proper apportionment of use may be made. This is not necessary for the automobile log, though; just record the beginning and end-of-year odometer readings. Entries must be made at or near the time of the business use. However, an auto "round trip" may be accounted for by a single entry.

IRS has taken steps to relieve some of the burden of the recordkeeping requirement. Taxpayers who use their autos regularly to call on customers, make deliveries and so forth may take a flat 70 percent business deduction or record only personal use in the log. A truck used in the same manner would be allowed an 80 percent business deduction.

Vehicles used solely for business which remain at the employer's business premises during non-business hours are exempt from recordkeeping.

Personal use by employees—non-cash fringe . . .

IRS also reduces the recordkeeping requirement on a business vehicle where the amount of personal use is limited to commuting by an employee. The employee's personal use would be considered a non-cash fringe benefit deemed to be wages. This means that the value of the personal use of the auto must be reported as income to the employee, and the employer must withhold and pay taxes on this income. Withholding may be at the same percentage as the employee's primary compensation or at a flat 20 percent rate accorded supplemental wages.

The dollar value of the personal use of the company car may be determined under general valuation principles or by reference to an annual lease value table set out in the IRS fringe benefit regulation. The table establishes lease values based on the automobile fair market value on the date the auto is made available for use. The table sets the annual lease value of a $10,000 car, for example, at $3,100, a $20,000 car at $5,600 and a $30,000 car at $8,250. These lease values are safe harbor values which the IRS will not question.

Taxpayers will have to attach a statement to their tax returns confirming that they have maintained the proper contemporaneous records supporting claimed deductions and credits. They will also be required to provide their tax return preparers with written confirmation that they have maintained such records, and the return preparer must obtain this confirmation before signing the return.

Of course, there are presently bills in both the Senate and the House that could change all the rules on recordkeeping. But the prudent action by any taxpayer is to keep contemporaneous records of automobile and computer expenses during 1985. ☐

Richard J. Power is a practicing tax attorney in the Washington, D.C. area. His list of clients includes several restaurants.

THE 12 COMMANDMENTS OF THE FAMILY BUSINESS

by Leon A. Danco, Ph. D.

After working for many years with privately-held businesses, I have come to the conclusion that the salvation of a company lies in a specific set of rules. The operators I know are usually God-fearing people, but they are often business atheists. They say there is no way that anybody can tell them what they should do. They could profit from a set of business rules.

I call these rules "The 12 Commandments of the Family Business." They are not suggestions. If people were intended to lead a permissive life, God would have given Moses 10 suggestions. The parallel holds. I often explain these 12 commandments to groups of business men and women in the hope of finding one or two believers.

Commandment 1 . . .

The first commandment is **Thou Shalt Share Thy Dream with Thy Family.** When you started your business, you had it all in your head—the type of place, the standards, the feeling of ownership, the feeling of success. You have worked for years to realize that dream. When things went wrong, it was that dream that kept you going. As a consultant, owners tell me about these dreams, but they don't tell their spouses, their children or their employees.

When you don't share your dreams with your children, your spouse and your business family, they develop a negative opinion about what you do. They hear about the bad things. They know when you have a bad day or when business keeps you away from them, but they don't know about the dream that makes it worthwhile and the corporate philosophy that makes you so great. If you expect them to put their hearts and souls into your business, you have to share the dream with them. You have to treat them as partners. You have to give them a stake in it all, too.

In particular, there is one aspect of your dream that absolutely must be shared with your business family. That is that your company will continue forever.

Commandment 2 . . .

Now that's the dream of every human being who owns a business. It is the assumption behind every action you take, but the people around you don't know it. They see you ordering food, getting a vacation substitute, getting a replacement for the dishwasher, partying with the mayor, and they don't understand why you are doing all that. The second commandment is **Thou Shalt Inform Thy Managers and Employees "This Company Will Continue Forever."**

Think of all the notices that the government requires you to post. Imagine the effect on your business

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Leon A. Danco is president of University Services Institute in Cleveland, OH, and author of three books on family-owned businesses: "Inside the Family Business," "Outside Directors in the Family-Owned Business" and "Beyond Survival: A Guide for the Business Owner and His Family." Danco presented these edited remarks at NRA's First National Conference for Independent Operators earlier this year.

family if you posted a sign that said, "This company will continue forever." Your children and your other employees have their own families to think about.

You can keep your children in the business by letting them know you expect it to continue through them. You can keep good employees by letting them know operations don't end the day you retire.

Your bank will look upon your business in a different light. They won't over-collateralize everything because they have to get their money back when you go belly up. And your insurance agent will look at you in a different light as will your accountant and your suppliers. They will understand your dreams, and you will become part of their own dream.

This does not mean you can't make changes. You can. You may change the menu. You may change your location. You may change all kinds of things. Your business family will understand that you are staying relevant to the times so that your business will make the distance.

Commandment 3...

Of course, it takes more than determination to make a business prosper indefinitely. You certainly need effective administrative organization. Here's where the third commandment comes in: **Thou Shalt Develop a Workable Organization and Make it Visible on a Chart.** An organization chart is like the seating diagram in a classroom. You know who is there and why they are there. You know what they need, what their aspirations are and what their abilities are.

I've consulted with all sorts of companies, and the first thing I say to the boss is, "Draw me a little chart of your business." I draw in the top box and say, "That's you. Now, draw the rest." You would not believe the hen-scratching I get. Many operators simply do not know how their own business is organized.

Put the names of your officers on your chart. Add your shareholders. Then fill in the names of your workers according to their reporting relationships. Define each position. You may begin to see that you have to prune the bush a little bit; or you're going to have too many leaves, and the root system is going to go.

Commandment 4...

The organizational chart is a fundamental document of any labor-intensive business. Once you have all these people on your chart, review the names and responsibilities. Who are the ones who will take over when you retire? Are they ready? Or do they need more education? Commandment four is **Thou Shalt Continue to Improve Thy Management Knowledge, That of Thy Managers and That of Thy Family.**

It is not enough for you to know it all. The smarter you get, the more you take with you. If you take all the knowledge with you, you doom your business to extinction.

I feel very strongly about the need for continuing education. Although we all finished our formal education a long time ago, we need to continue learning. You must seek ways to use the knowledge of third parties: your advisors, your Chambers of Commerce, your universities or your industry associations. It never stops. Life is a continuing education.

Commandment 5...

The fifth commandment is **Thou Shalt Institute an Orthodox Accounting System and Make Available the Data Therefrom to Thy Managers, Advisors and Directors.** I know all the reasons for not letting managers see this data. "If so and so knew how much money we made, he would open up his own place." Or "If so and so knew how much money we're losing, he would get another job." I have a simple rule in this regard: If you cannot trust people with the information they need to do their jobs—whether family members or veteran employees—fire them.

By extension, if you do trust them, then tell them what's going on. Do not tell all to your entire staff, but be open with the basic group of management people who need to know. I call this the abolition of secrecy.

Commandment 6...

That leads me to the next commandment: **Thou Shalt Develop a Council of Competent Advisors.** You need the best advice you can get from attorneys, insurance people, trust officers and consultants of all sorts.

I want you to look at the people whose professional skills you utilize. List them, and ask yourself, "Are they the best?" You will discover that in most cases they are not the best.

Why is that? There are several reasons that business owners accept second-rate advice. One is that you don't regard yourself as worthy. You think of yourselves as small business men and women and imagine that all consultants want to work for General Motors. You are wrong. The rewards for working with private businesses are widely recognized by consultants—warmth, friendship, understanding and generosity.

Often it is laziness that keeps you from replacing a second-rate advisor with a top-rate individual. You say, "I've already explained all that. I do not want to explain it again." In fact, it is good for you to explain things again. You correct errors in your own assumptions in doing so, and an interested listener is the best purgative for bad concepts.

Choose advisors who are recognized by their peers as the best. Choose quality. You deserve it.

Commandment 7...

Now we come to commandment seven: **Thou Shalt Submit Thyself to a Review of a Board of Competent Outside Directors.** "Never," you say. "They would get all of my business. They are going to tell me what to do. They are going to fire me." There are many myths about what boards of directors do—all of them false. The board of directors in a family business is composed of risk-taking peers. They do not need to have the foggiest notion of how to run a restaurant. You are the expert on that score. The role of an outside board is to give you support for your good judgment and restrain your bad judgment. But they're not there to run your business. They are there to help you realize that you take risks day after day and to help you feel a little more comfortable about your decisions. The word "comfort" comes from the Latin "confortare"—to strengthen greatly. A good board offers the comfort that comes from feeling secure.

Who should comprise the board? I'll tell you who should not be your directors. They should not be your investors, relatives, employees or friends. As restaurateurs, you probably know on a casual basis hundreds of great people who would be honored to sit on your board. Select your directors from among those people.

If you review the commandments we have covered so far, you will see that the first two commandments concern sharing your dream for an enduring operation. The next five concern operational matters— organizational charts, management and development, accounting techniques and advisors. Now we come to the heart of the message: the "Thou Shalt Choose" directives.

Commandment 8...

Commandment eight is **Thou Shalt Choose Thy Successor(s).** That is not easy. Very few of us have only one child who is fascinated with the business. Instead, we have multiple children with varying degrees of interest in participating in the business. I say, "All right, be a hero. Die and let your spouse fight it out with the lawyers."

You have to choose, or you will destroy on the way down what you created on the way up. You must look objectively at your family. Then consult your outside directors. Finally, make your choice.

Commandment 9...

Having made this judgment, you must see that your successors receive the right preparation for their job. Commandment nine is **Thou Shalt Be Responsible That Thy Successors Are Well Taught.** Our children have to be prepared for the future so that they do not repeat the errors that we made in the past.

Commandment 10...

Number 10 is perhaps the most difficult commandment for many to accept. **Thou Shalt Retire and Install Thy Successors with Thy Powers Within Thy Lifetime.** Now that hurts, but it doesn't have to hurt. Retirement must be changed so that it's not an equivalent of euthanasia. Retirement should not mean that you give all your time to basket weaving, shuffleboard or move to Sun City. It should be called a renaissance, a rebirth—something that one should look forward to.

Retirement really means handing over your position as the ultimate authority. Stay on as chairman and treasurer, but make your successor president. The ultimate authority for judgment has to be passed on sooner than the grave, because the transfer at death is too catastrophic. Too many other things come up. So the installation of a successor management should be done by a healthy senior.

Commandment 11...

Commandment 11 is **Since You Can't Take It With You, Settle Thy Estate Now.** When we go, we go just the way we came—with nothing. By that time, you should have learned to share your dreams, to teach those who willingly follow what we feel will be helpful and, ultimately, to give it all away. We work all of our life to acquire property, skills and wealth, but it seems we postpone the distribution of what we acquire as though we can keep it.

We are all really working for our kids. I do not know anybody who wants to disenfranchise or disinherit their children. To ensure their happiness and the continuation of our businesses, we must settle our estate now before it is too late.

Commandment 12...

Now we come to the final commandment—**Thou Shalt Apportion Thy Time To See That These Demands Be Kept.** We all spend eight hours per day sleeping. That's one-third of our day. God took out one third of the time he gave us to make the other two-thirds worthwhile. So, I submit that we can take out five percent of our work time to consider the direction of the other 95 percent. Find the time. Then follow the commandments I have described. That really means creating the channels of communication and the corporate structure to ensure that your people find meaning in their work and that your company thrives and finally outlives you. Goals like that are certainly worth five percent of your time. ❑

"What we should have said was. . . ."

If these words describe a familiar dilemma, take heart. Saying what you mean and saying it well is not as hard as you may think. Sure, it helps to have clever, innovative ideas. But your success in getting your message across depends just as much on how you express your ideas.

Here are 10 guidelines to help you get and keep your readers' attention.

1. Say the right thing to the right audience.

Before you create an ad, develop a menu description, write a press release or produce a financial report, find out who your readers are and what they want to hear. Formal questionnaires and research are one way of doing this, but informal surveys over lunch or on the phone often work just as well.

Determine the age and sophistication of your readers. If, for example, they're likely to have heard the 1921 hit song "Margie," they'll probably be responsive to an ad like this one:

AFTER: All Is Said And Done
Open 24 hours
The Coffee Shop

2. Make your writing personal.

Use pronouns.

Don't be afraid of "I" and "we." If you manage a restaurant near an airport, try advertising your menu this way: "The 'I've got to catch a plane by 10:30' breakfast, $3.50." Or, if your restaurant is equipped to handle parties, try advertising this service the way the Philadelphia Hilton once did: "We're ready for the party of the year—yours."

3. Use specific, concrete nouns.

"Salmon" evokes more images and tastes than "fish." "Cantaloupe" is more vivid than "fruit."

The following ad is appealing because it's specific:

Don't plan a dinner unless you have:
● *25,000 pieces of dishware and silverware*
● *a dining room that holds from 20–450 people*
● *punch bowls, fountains and candelabra*
● *a staff of 75 people to prepare, serve and clean up for your guests*
OR . . . our telephone number
The Stockton Inn
Stockton, New Jersey

10 Steps To Clearer Communication

by Ginny Finch

4. Use strong verbs.

Forms of the verb "to be" (i.e., is, was) are almost always weak. Use verbs that "do something." For example, instead of writing "the pungent aroma of beef Burgundy is in the room," write, "the pungent aroma of beef Burgundy fills the room."

Here's how one restaurant used strong verbs to promote its already-flourishing business:

Spend this Saturday at TANDY's
Watching . . . *Alabama vs. LSU at 3 p.m.*
Eating . . . *a pound of crab claws for $3.75*
Listening . . . *to Leon Raines from noon & after the game*
Enjoying . . . *a great time*

Watch out for "smothered" verbs:

Smothered verb	*Substitute*
make a decision	decide
give an indication of	indicate; show
is applicable	applies
give recognition to	recognize

5. Avoid jargon, impersonal expressions and strings of nouns.

Jargon is specialized language; it is appropriate only when no other words will do.

If you do use jargon, use language that is consistent with the image of your foodservice. Here's an example:

LE PUB
for trysting,
thirsting and gluttony

Don't sacrifice clarity for brevity by stringing too many nouns together.

Not: Please write a managers' training report.

But: Please write a report evaluating training for managers.

6. Use the right word in the right context.

"Address" a letter but "confront" or "discuss" a problem. Don't confuse "infer" with "imply." Use "which" in a sentence when you can put a comma in front of the word and "that" when you cannot.

7. When in doubt, leave out.

It's not as easy as it sounds because the English language is full of unnecessary words. Everyday we read phrases like "untimely death," "end result" and "perfectly clear."

Some repetitions can be effective, however. For example:

> *Our $4.50 noon buffet is all you can eat and eat and . . . (a Texas pizza inn)*

8. Keep sentences balanced or "parallel."

To do this, use nouns with nouns, verbs with verbs, adjectives with adjectives and prepositions with prepositions.

Parallel structure is "the glue" that binds your ideas together. It's a device that can make your prose readable and forceful. John F. Kennedy's inaugural address is a striking example of parallel structure:

> *. . . Let us never negotiate out of fear, but let us never fear to negotiate.*

Another good example of parallel structure is this prize-winning ad:

> *At* ***Horn of Plenty's*** *Smorgasbord, $1.39 at lunch and $1.99 at dinner gets you all you can eat for as long as you can walk.*

Read your writing aloud—usually you'll be able to hear nonparallel structures.

9. Put modifiers in the right place.

If you don't put modifiers where they belong—next to the words they modify—you may end up with mistakes like these:

- No regulations should be given to staff members that are out of date.
- On St. Patrick's Day, they were served pieces of cake by a man with green frosting.

10. Create headlines that "grab" the reader.

Avoid headlines that state the obvious. Instead, create phrases that capture the most significant new item.

Not: New restaurant opens in Northeast.
But: New restaurant in Northeast offers unusual seafood.

Ginny Finch teaches a seminar on business writing called "Say what you mean, and say it well!"

Some Grammar Hot Line Numbers

University of Arkansas—501/569-3162—9 a.m. to noon (M–F); closed during school breaks.
Tidewater Community College—804/427-7170—10 a.m. to noon (M–F), EST; closed during school breaks.
Illinois State University at Normal—309/438-2345—9 a.m. to 4 p.m. (M–F).
Emporia State College—Kansas, 316/343-1200 (X380)—11:30–4:30 (M–Th).
Johnson Community College—Kansas, 913/888-8500 (X3439)—8 a.m.–3 p.m. (M–F) and 5 p.m.–8 p.m. (T–W).
University of Maryland at Frostburg—301/689-4327—10 a.m.–noon (M–F).

—Communications Concepts

TO YOUR HEALTH

Understanding lactose intolerance

Say "milk," and you probably think "wholesome." Or you get a secure feeling remembering an after-school snack of warm, freshly baked cookies and a tall glass of cool milk. But for some people the word milk evokes thoughts of pain and discomfort. Milk poses a problem for millions of American adults who can't digest lactose, milk's natural sugar, due to a deficiency of the digestive enzyme lactase.

During normal digestion, the enzyme lactase breaks down the two-unit lactose into single-unit sugars. If this doesn't happen, undigested lactose moves through the intestine causing cramping, bloated feelings and diarrhea.

Lactose intolerance, the common term for this disability, is classified into three types:

- *Congenital lactose intolerance* is a rare condition that's characterized by a lack of lactase at birth.
- *Secondary lactose intolerance* usually occurs as a result of another intestinal disease that temporarily depresses lactase activity. Digestion returns to normal after the primary disease is cleared up.
- *Delayed-onset lactose intolerance* occurs years after birth when lactase production diminishes. This type accounts for the majority of cases of lactose intolerance.

Normal infants have enough lactase production to digest mother's milk or formula. Lactase activity remains high during the early years. In those destined to develop delayed-onset intolerance, lactase levels begin decreasing by four to five years of age; and by early adulthood, lactase levels are down to about 10 percent of infancy levels.

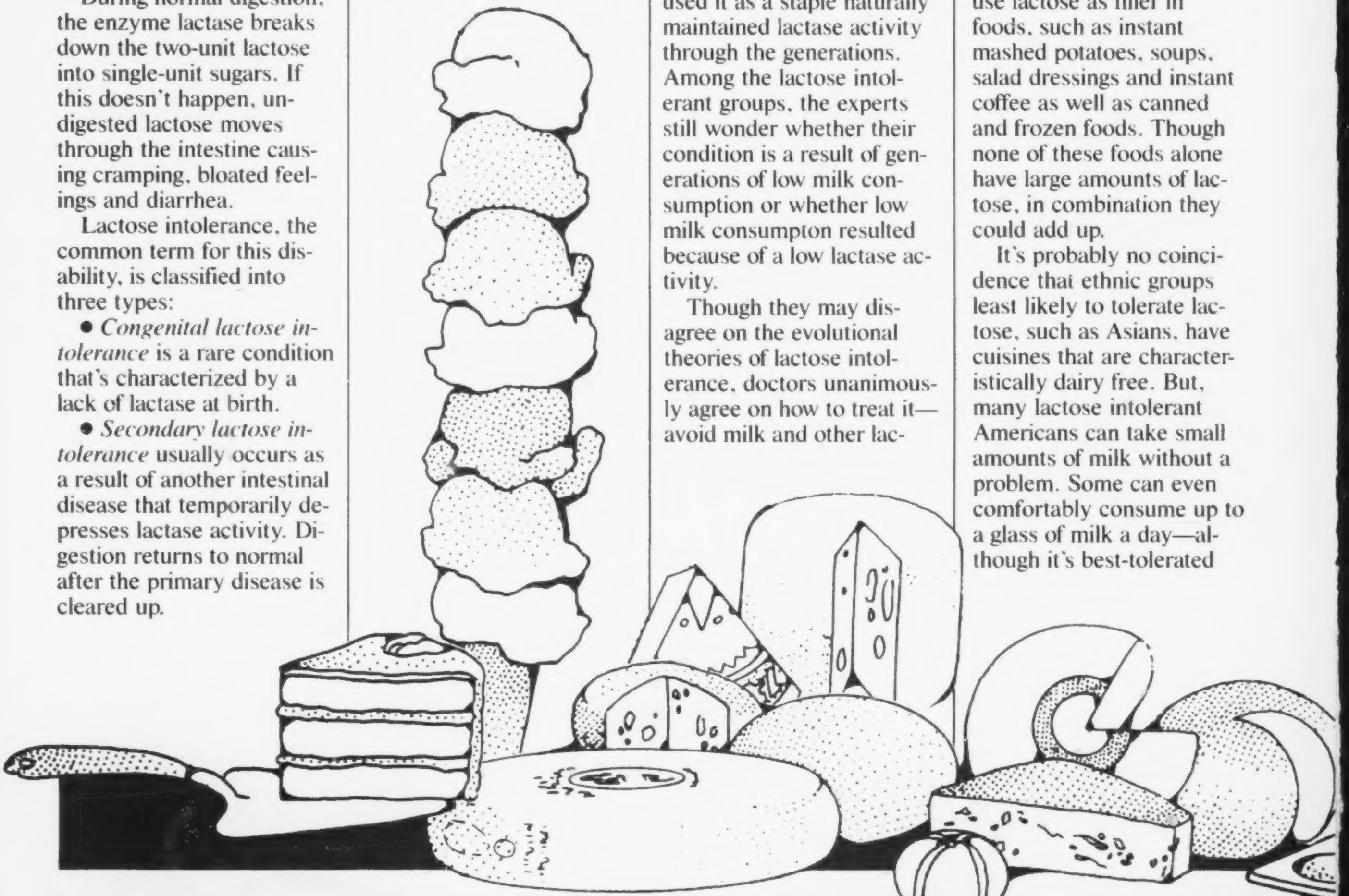
Possible anthropological roots . . .

It's estimated that close to 30 million adults in the U.S. have delayed-onset lactose intolerance, but the incidence isn't uniform in all races. Those of Scandinavian and Western European descent have the lowest rates of occurrence while Asians, American Indians, some Blacks and some Jews exhibit higher rates and earlier onset. Due to these ethnic variations, doctors are beginning to think that the development of lactose intolerance has anthropological roots. Maybe those groups who had good milk supplies and used it as a staple naturally maintained lactase activity through the generations. Among the lactose intolerant groups, the experts still wonder whether their condition is a result of generations of low milk consumption or whether low milk consumpton resulted because of a low lactase activity.

Though they may disagree on the evolutional theories of lactose intolerance, doctors unanimously agree on how to treat it—avoid milk and other lactose-containing foods. Obviously, dairy products like cheese, sour cream and ice cream have to be eliminated from the diet. As with every rule, there's an exception. Yogurt seems to be well-tolerated by lactose intolerants. The bacterial cultures used in production contain enough lactase to help with digestion. Though sometimes recommended, tests show that acidophilus milk isn't as easily digested and can produce uncomfortable symptoms in those who are sensitive to lactose.

There are also less obvious sources of lactose in foods. Manufacturers often use lactose as filler in foods, such as instant mashed potatoes, soups, salad dressings and instant coffee as well as canned and frozen foods. Though none of these foods alone have large amounts of lactose, in combination they could add up.

It's probably no coincidence that ethnic groups least likely to tolerate lactose, such as Asians, have cuisines that are characteristically dairy free. But, many lactose intolerant Americans can take small amounts of milk without a problem. Some can even comfortably consume up to a glass of milk a day—although it's best-tolerated



when taken with other foods. Fortunately, complete elimination of dairy products is rarely required.

Because they offer unique nutritional advantages, dairy products are an essential component of a well-balanced diet. They are great sources of protein, and milk's high-quality protein is relatively inexpensive. They are also packed with calcium—a nutrient that's often lacking in adults' diets. Plus the lactose in dairy foods enhances the absorption of calcium contributed from other foods. Contrary to popular belief, it's not too healthy for grown-ups to stop drinking milk. Adults should drink at least two cups of milk a day; women's calcium needs are even greater.

For those lactose intolerants who can't consume the amount of milk they would like or need, there are new lactose-reduced products on the market. Manufacturers add lactase enzyme to real milk, cottage cheese, ice cream and pasteurized cheese food producing products that have 70 percent less lactose than the real things. They do taste slightly sweeter, but these items can be used in cooking. Simply use them in place of their regular counterparts. Also, lactase enzyme is available in tablet form, designed to be taken with milk or meals. The lactase tablet digests lactose just as natural lactase would. These developments have made it possible for those with lactose intolerance to enjoy most every food.

How to help lactose-intolerant patrons . . .

As a restaurant operator, you'll probably never feel a demand to use lactose-reduced products in your kitchen. You may, however, get questions about the ingredients you use. Keep these tips in mind when dealing with the lactose-intolerant public:

- Be prepared to point out the lactose-free items on your menu. (Remember that lactose is used as a filler in some products.)
- If a menu offering does contain milk or dairy products, know how much per serving. For instance, be prepared to point out how much milk your cream of broccoli soup has per serving or how much sour cream goes into a portion of beef stroganoff.
- If you feel the demand, keep nondairy coffee creamer on hand. Its use is more universal than lactose-reduced milk.
- The new soy-based, frozen desserts are lactose free. Available in hard and soft-serve varieties, they're good ice cream substitutes for both lactose and cholesterol conscious patrons.

—Claire Regan, R.D.

Foods containing lactose

Although most lactose-intolerant individuals can tolerate a small amount of lactose, here are some items that contain significant amounts of the substance.

Beverages
milk
cream
instant coffee
cordials, liqueurs

Meats
brain
cold cuts & frankfurters containing dried milk
liver
liver sausage
sweetbreads

Cheeses
all types

Frozen, canned or powdered fruits and vegetables
prepared with lactose

Mixes
muffin, pancake, cake, biscuits, cookie, salad dressing

Desserts
ice cream
sherbet
custard
pudding
baked goods with added milk

Be sure to read the lists of ingredients on food labels.

THE BOARD ROOM

Two NRA board members are awarded 1985 Silver Plates

NRA past president Victor Rosellini (Rosellini Restaurants, Seattle, WA) and board member Harris (Bud) Rusitzky (Serv-Rite Food Service and Consulting Corp., Rochester, NY) have been named 1985 Silver Plate recipients by the International Foodservice Manufacturers Association (IFMA).

The annual award, which is given to eight outstanding foodservice executives, each representing a major industry segment, recognizes outstanding contributions to the industry. A jury of foodservice editors and past Silver Plate recipients choose the Silver Plate awardees who then vie for the prestigious Gold Plate Award, given to the Silver Plate winner chosen as foodservice operator of the year.

The Gold Plate winner is selected by secret ballot; the identity is kept secret until the Gold and Silver Plate Awards Banquet in May when the award is presented.

Rosellini, the owner of two restaurants (Four-10 and The Other Place) and a deli (Gourmet Kitchen), will receive the 1985 Silver Plate in the full service restaurant category. Credited with introducing "gourmet" food to the Seattle area, Rosellini is also known for his personal involvement in every aspect of operations, especially in the area of employee training. He is a past president of both NRA and the Washington State Restaurant Association and has consistently won prestigious honors, including the Travel/Holiday Award, the Mobil Travel Award and the Ivy Award.

Harris (Bud) Rusitzky, president of Serv-Rite Food Service and Consulting Corporation in Rochester, NY, will receive the 1985 Silver Plate in the contract/industrial category.

Since its founding in 1965, Serv-Rite has expanded into seven counties in and around the greater Rochester area and currently employs a staff of about 200. Educational accounts represent half of Serv-Rite's business; employee feeding and consulting/catering equally divide the remainder. People are an important part of Serv-Rite and extensive on-the-job training and promotion from within are hallmarks of the operation.

Rusitzky is chairman of NRA's communications committee and is a member of the executive committee. He is also past president of the New York Restaurant Association and trustee and vice chairman of the board of the Culinary Institute of America.

IFMA's 31st Annual Gold and Silver Plate Awards Banquet will be held at the Hyatt Regency Chicago on May 20, 1985.

NRA Director Impeciato receives Atlanta Touchdown Club award

NRA Director Victor J. Impeciato (Vittorio's, Atlanta, GA) is the 1985 recipient of The Touchdown Club of Atlanta's I. M. Sheffield, Jr., Loyalty Award.

The award, which was established in 1974, is presented yearly to an outstanding club member. Impeciato, past president of the club, received the award for his years of distinguished service and excellence in the promotion of high school and collegiate athletics.

Impeciato, owner of Vittorio's and The Summit Club, is one of Atlanta's outstanding restaurateurs. He was named Georgia Restaurateur of the Year in 1974 and twice served as president of the Georgia Hospitality and Travel Association. Impeciato has been a member of the NRA Board since 1977.

—Dorothy Dee

Machus announces NRA's support of Operation: Prom/Graduation

As part of its nationwide campaign to reduce the incidence of drunk driving, NRA has joined forces with four other trade associations and launched Operation: Prom/Graduation, a national public service campaign aimed at reducing the number of alcohol-related traffic accidents among teenagers during the graduation and prom season.

Commenting on NRA's commitment to Operation: Prom/Graduation at a press conference in Washington, DC, NRA President Harris O. Machus (Harris O. Machus Enterprises, Birmingham, MI) said, "I speak for restaurateurs all over America when I say we are very excited about Operation: Prom/Graduation. Feasting has always been an important element in marking special occasions. Celebrations and restaurants go

At a Washington, DC, press conference NRA President Harris Machus displays NRA poster and table tents promoting Operation: Prom/Graduation.

hand in hand, and what we wish for the Class of 1985, as well as all our guests, is a safe celebration."

Operation: Prom/Graduation asks students to sign a pledge card promising not to drink and drive during the graduation/prom period or ride with any driver who has been drinking. For signing the pledge card, students are entitled to a five to 10 percent discount in restaurants, florists, car and tuxedo rental stores, boutiques and other participating establishments. Restaurants will be commemorating Operation: Prom/Graduation in May and June with a host of special festivities, such as graduation-week dinners, luncheons, mocktail parties and post-prom suppers.

To publicize Operation: Prom/Graduation, NRA mailed members a publicity kit complete with a poster, table tent, ad mats and model press materials. Additional posters and table tents are available from the association at cost. If you are interested in ordering more materials, contact: Kathy Hall, communications department, NRA, 311 First St., N.W., Washington, DC, (202) 638-6100 or (800) 424-5156.

Foodservice operators interested in participating in this worthwhile program should contact the public relations department of a local TV or radio station and ask for the name of the person organizing Operation: Prom/Graduation in their area. If further assistance is needed, contact NRA's Washington office.

In addition to NRA, Operation: Prom/Graduation is sponsored by the National Association of Broadcasters (NAB), the American Floral Marketing Council (AFMC), the National Automobile Dealers Association and the National Soft Drink Association.

Fisher's Law #62

The apt description

Over the years I have had the opportunity to read a number of performance appraisals, references and letters of recommendation that someone has written about another person. I've read military evaluations, references for college applicants and job applicants and letters of all sorts, describing the characteristics, qualities and/or performance of the person under consideration. A few years ago I began compiling a list of some of the more apt, incisive (and perhaps humorous) descriptions I've come across. Here is a sampling.

1. "He advertises his humility with tremendous flair."

2. "He seems to dot all the 'T's' and cross all the 'I's.'"

3. "She has the ability to manage the smallest detail and to see the very big picture. Unfortunately, she has trouble with everything else in between."

4. "His joining your organization is our gain and your loss."

5. "This person would have difficulty organizing a one-car funeral."

6. "He is a master of self-promotion. With this rating, I am going to be the master of his fast demotion."

7. "His ability to communicate is exceeded only by the quantity and verbosity of his communications."

8. "She says she can talk and listen at the same time, but no one gets a chance to test her on the latter."

9. "His leadership style is to take the recommendation of the last person who speaks to him. Always be sure you're the last to speak to him."

10. "He put forth a Herculean effort but experienced Lilliputian results."

11. "He does not get along well with subordinates or they with him. I believe it's because he practices management by subjectives."

12. "He seems to do his best analytical thinking on restaurant tablecloths."

13. "He practices studied amateurism as a means of endearing himself to others. He hasn't perfected it."

14. "His management style can be best described as crisis management. He develops great plans after the fact."

15. "He proceeds undeterred by his factual errors, incorrect quotations, misapplied analogies, illogical conclusions, memory lapses and a sputtering, huffing and puffing manner. He's really like a loose cannon aboard a rolling ship."

16. "He sets his own standards and does his best to live down to them."

17. "She often comes in late but just as often leaves early to make up for it."

18. "He moves at a pace that would make a turtle seem like a speed demon."

19. "His knowledge of the business rivals his knowledge of sailing. He's never set foot on a boat and doesn't know how to swim."

20. "He tries to get by on his personality. Most of his subordinates can't get beyond his personality, and I can't get over his personality. Consequently, everyone goes around him."

21. "She has a tendency to repeat herself, repeat herself, repeat herself, repeat . . ."

22. "He does not use his resources wisely. I honestly believe he thinks zero base budgeting is to spend everything and get to zero as rapidly as possible."

23. "He's the most upbeat person I've ever known. He thinks a kick in the rear end is a low aimed pat on the back."

24. "He is demanding, ruthless and intimidating. Too bad he is a personnel director."

25. "I think there is a place for him. I'm not going to say where that place is except that it's not in this department."

Fisher's 62nd Law: **Call them as you see them, but be sure you see them.**

Taxes and Social Security Payments

If you have substantial income in addition to your Social Security benefits, some of your benefits may be taxable. Contact the IRS to obtain free IRS Publication 915 for details.

ITS YOUR SOCIAL SECURITY CHECK, YOUR PENSION CHECK, YOUR DIVIDEND CHECK... AND YOUR FREE COPY OF IRS PUBLICATION 915
U.S. MAIL

A PUBLIC SERVICE MESSAGE FROM THE INTERNAL REVENUE SERVICE

Annual CREST report reveals restaurants prospered in 1984

This article summarizes the results of CREST's *(Consumer Reports on Eating Share Trends)* Annual Household Report. *The information covers the 12-month period from December 1983 through November 1984 and includes data on traffic, sales, party composition, meal occasion and day of visit.*

Traffic up in 1984 . . .

Restaurants prospered during 1984. Customer traffic rose 4.0 percent in 1984, considerably higher than 1983's 2.7 percent gain. An expanding economy, highlighted by a moderate rate of inflation and upbeat consumer confidence, was a major force behind the increased customer traffic.

Due to particularly strong economic expansion in the first half of the year, customer counts climbed a substantial 6.2 percent in the winter quarter and 7.5 percent in the spring quarter. However, as economic growth slowed in the second half of the year, so did traffic growth. During the summer quarter, traffic advanced only 2.4 percent, while traffic rose a sluggish 0.4 percent in the fall.

Traffic highlights:

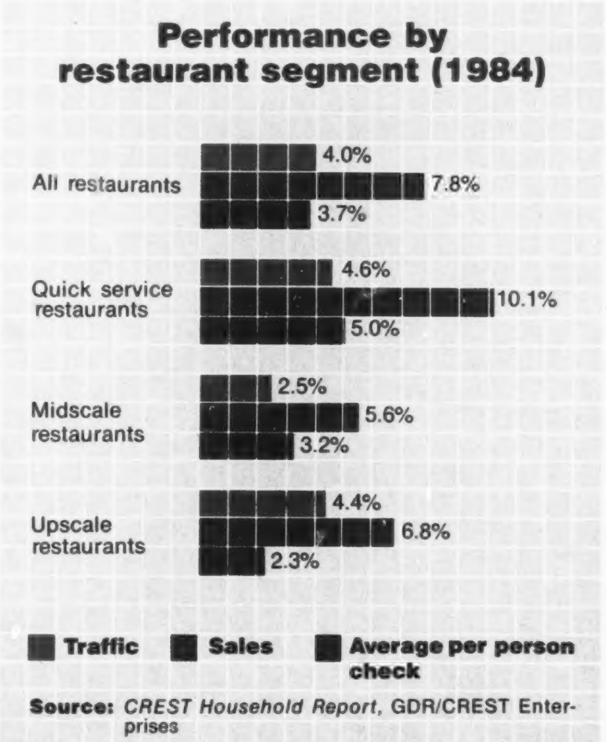
- Traffic at quick service restaurants increased at the fastest pace in 1984, up 4.6 percent.
- Upscale restaurants experienced the second largest gain in customer traffic—4.4 percent. This is a somewhat smaller advance than the 5.4 percent increase recorded in 1983.
- Midscale restaurant traffic climbed 2.5 percent last year. This compares favorably with a decline of 1.0 percent in 1983.
- Breakfast was the fastest growing meal period last year. Traffic rose a significant 10.7 percent, compared with a 9.7 percent gain the prior year.
- Dinner traffic climbed a healthy 5.6 percent last year, somewhat higher than the 4.2 percent advance recorded in 1983.
- Customer counts at lunch increased 3.6 percent in 1984 versus a substantially larger advance of 8.4 percent the year before. Employment increased at a faster pace in 1983 than in 1984, which may have influenced the more dramatic gain in lunch traffic in 1983.
- Customers dined out more often in 1984. Visit frequency—the average number of times families and singles visited restaurants—rose 2.0 percent last year, well above the 0.4 percent rise in 1983.
- The actual number of households that dined out at least once in any typical two-week period in 1984—restaurant penetration—declined slightly to 78.6 percent from 78.9 percent.
- The average party size remained unchanged in 1984—1.79 people per visit.

Restaurant sales post 7.8 percent gain . . .

Restaurant sales advanced 7.8 percent in 1984, outpacing the 5.2 percent gain in 1983. The largest increase was recorded in the spring quarter—11.8 percent. Restaurant sales also made an impressive advance in the winter quarter—9.9 percent. By the summer quarter the rate of gain had slowed to 4.3 percent. However, sales rebounded somewhat in the fall period, posting a higher 5.8 percent rise.

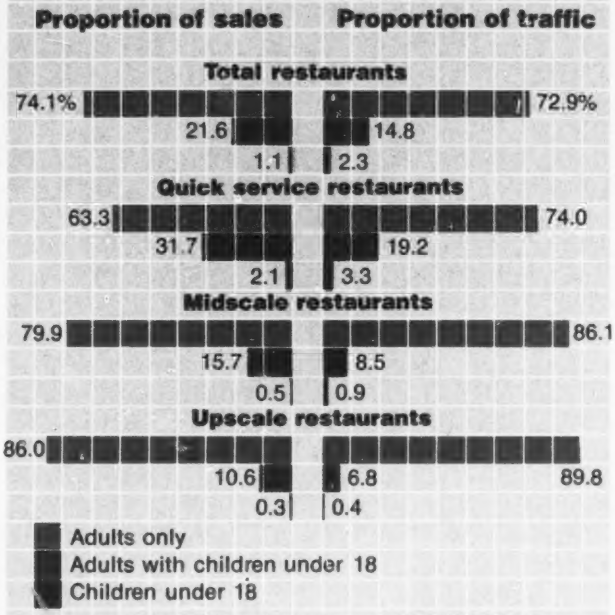
Sales highlights:

- Sales at quick service restaurants grew at the fastest rate in 1984—up 10.1 percent, compared with 9.2 percent in 1983.
- Upscale restaurant sales rose 6.8 percent versus a 4.4 percent gain the year before.
- Sales at midscale restaurants increased 5.6 percent in 1984. This is a significant advance over the 1.3 percent increase recorded in 1983.
- Of all meal periods, breakfast sales made the most impressive advance last year—13.3 percent.
- Restaurant sales for the evening meal rose 8.1 percent last year, and lunch sales went up a slightly smaller 7.7 percent.
- The average expenditure for a restaurant meal or snack—per person check—increased 3.7 percent last year to $3.34.
- The average per person check increased at the fastest pace at quick service restaurants—up 5.0 percent to $2.33 in 1984. Upscale restaurants posted the highest per person check—$8.43 per person.
- The average per person check for lunch increased



Source: *CREST Household Report*, GDR/CREST Enterprises

Proportion of traffic and sales by party composition and restaurant type (1984)



Source: *CREST Household Report*, GDR/CREST Enterprises

4.1 percent last year to $3.07.

Adult parties most prevalent . . .

The vast majority of restaurant parties are comprised of adults only. Nearly eight in 10 restaurant parties consisted of all adults, and in 1984, they accounted for slightly more than 74 percent of the dollars spent on dining away from home. In addition, 15 percent of all parties included adults with children under 18, and they constituted a significant 22 percent of all restaurant sales. Parties of children only were the least prevalent party type. Only 2.3 percent of all parties were comprised of children alone, and they represented a mere 1.1 percent of all restaurant sales.

Party composition varies by type of restaurant. Parties of adults only, for example, are more likely to be found at upscale and midscale establishments. In 1984, almost nine in 10 parties at upscale restaurants consisted of adults without children, and these parties accounted for 86 percent of the dollars spent in this type of establishment. Additionally, more than eight in 10 parties at midscale restaurants consisted of adults without children, and their share of midscale restaurant sales was a similar 80 percent.

On the other hand, parties of adults with children make up a larger portion of the sales and traffic at quick service restaurants than at midscale or upscale establishments. Last year two in 10 parties at fast food restaurants included adults with children. In comparison, adults with children comprise only 8.5 percent of the traffic at midscale restaurants and 6.8 percent at upscale establishments.

Proportion of traffic and sales by meal occasion and restaurant type (1982–1984)

	Proportion of sales			Proportion of traffic		
	1982	1983	1984	1982	1983	1984
Total restaurants						
Breakfast	5.7%	6.1%	6.4%	8.4%	9.0%	9.6%
Lunch	34.7	34.2	34.2	38.0	37.3	37.2
Dinner	52.5	52.8	53.0	38.0	38.6	39.2
Snacks	6.9	6.5	6.3	15.1	14.7	13.9
Quick service restaurants						
Breakfast	4.3%	4.7%	5.0%	6.4%	7.1%	7.5%
Lunch	40.0	39.3	38.7	38.0	37.6	37.4
Dinner	44.3	45.1	46.3	36.0	36.3	37.5
Snacks	11.0	10.4	9.9	19.2	18.6	17.4
Midscale restaurants						
Breakfast	9.1%	9.9%	10.4%	13.1%	14.0%	14.9%
Lunch	36.5	35.8	36.0	40.5	39.2	38.9
Dinner	49.4	49.6	49.3	36.0	36.9	36.7
Snacks	4.5	4.1	4.1	9.8	9.3	9.3
Upscale restaurants						
Breakfast	2.8%	2.9%	3.3%	5.9%	6.1%	6.7%
Lunch	22.3	22.3	22.8	29.8	29.4	30.5
Dinner	71.6	71.8	71.2	59.0	59.3	58.3
Snacks	2.9	2.7	2.5	4.9	4.8	4.4

Source: *CREST Household Report*, GDR/CREST Enterprises

Adults dining with children accounted for a substantial 31.7 percent of the dollars spent in fast food places, significantly above the proportion spent in midscale (15.7 percent) and upscale (10.6 percent) restaurants.

Breakfast captures larger share of market . . .

Although the majority of restaurant patrons continue to eat lunch and dinner away from home, breakfast's portion of the market is growing, according to CREST's *Annual Household Report*. In 1984, breakfast accounted for 9.6 percent of all meal and snack occasions and 6.4 percent of the dollars spent on dining away from home. In 1983, breakfast accounted for a lower 9.0 percent of all occasions and 6.1 percent of restaurant sales.

Dinner, however, still accounts for the lion's share of both sales and traffic. In 1984, dinner captured 39.2 percent of all meal occasions and a whopping 53.0 percent of all restaurant sales. Lunch accounted for 37 percent of all meal and snack occasions in 1984 and 34.2 percent of the dollars spent on dining away from home. Neither of these two meal periods experienced much change in sales or traffic between 1983 and 1984.

One meal occasion, however, was slightly less popular last year. Snacking accounted for 13.9 percent of all meal occasions versus 14.7 percent of the occasions the year before. Additionally, snacks represented 6.3 percent of all sales in 1984, down somewhat from 6.5 percent in 1983.

Meal period traffic varies among restaurant types . . .

Customers often choose restaurants based on the meal they plan to order. For example, last year more than 58 percent of the meal occasions at upscale establishments were dinner, and these evening meals accounted for a substantial 71 percent of upscale sales.

Lunch is the most popular meal at midscale restaurants, and in 1984, it accounted for almost 39 percent of the meals at this restaurant type. Breakfast captured a comparatively high 15 percent of the midscale meal occasions in 1984. In contrast, breakfast accounted for a smaller 7.5 percent of the quick service restaurant traffic and 6.7 percent of the upscale meal occasions.

Dinner and lunch accounted for similar portions of the customer traffic at quick service restaurants: 37.5 percent and 37.4 percent, respectively. Not surprisingly, snacks represent a larger share of the traffic at fast food establishments than at other restaurant types. In 1984, snacks accounted for 17.4 percent of the meal occasions at quick service restaurants versus 9.3 percent at midscale and 4.4 percent at upscale establishments.

Friday and Saturday most popular . . .

Friday and Saturday are the most popular days for dining out. Last year 18.6 percent of all restaurant visits occurred on Saturday and 18.0 percent took place on Friday. Sunday followed with 14.0 percent of the customer traffic. Together these three days accounted for over half of the total weekly sales. In comparison, Monday is the least popular day for dining away from home. A slight 11.4 percent of all restaurant visits occurred on this day last year, accounting for 10.3 percent of restaurant sales.

–Susan Adelman

Who spends what for restaurant meals

Thirty-eight percent of the American food dollar goes for meals and snacks outside the home, according to NRA estimates. This translates into eight restaurant visits per household during a typical two-week period. But how much do patrons spend in restaurants and which groups tend to be heavy spenders?

Answers to these questions can be found in a recently released report by the Consumer Research Center of The Conference Board. This report, which is based on data from a Bureau of Labor Statistics 1980/81 survey, is summarized here.* Expenditures for food away from home vary by income, marital status, age and geographic location.**

Spending for restaurant meals rises with income . . .

Households with higher incomes not only spend more per person on restaurant meals but they also allocate a greater proportion of their food dollar to meals away from home. For example, in 1980/81, households with incomes of $50,000 and over spent an average of $508 per person on food away from home—the equivalent of 38.8 percent of their food dollar. Households earning $25,000 to $35,000 spent $389 per person or 34.8 percent, and households earning less than $10,000 a year spent $234 per person or 27.0 percent of their food dollar.

In addition, research conducted by the NRA indicates that individuals from upper income households dine out more frequently, especially at atmosphere or higher-priced restaurants, than those from lower and moderate income households.

As a result, upper income households account for a disproportionate share of total restaurant expenditures. For instance, in 1980/81, American households with annual incomes of $50,000 or more comprised only 3.1 percent of total households but represented a significantly higher 6.0 percent of restaurant spending. Households with incomes of $25,000 or more accounted for 26.1 percent of total households but a larger 41.8 percent of total restaurant expenditures. In contrast, the under $10,000

Preliminary data from this survey was summarized in the "Foodservice Trends" section of the April 1984 issue of* ***NRA NEWS.*

***The Conference Board report provides more detailed information on consumer expenditures for products and services than is available in government releases. This includes specifics on expenditures for breakfast, lunch, dinner and alcoholic beverages away from home.*

However, the Conference Board food-away-from-home figures do not include expenditures for catered functions nor purchases made by students boarding away from home. These expenditures are included in the Bureau of Labor Statistics (BLS) report under "food away from home." Neither the BLS nor the Conference Board include food-away-from-home expenditures incurred by anyone away from home (such as for meals on airplanes or in hotels) nor those food expenditures incurred while recuperating in a hospital. All of these figures are included by the National Restaurant Association when calculating the proportion of the food dollar spent for away-from-home meals and snacks.

Proportion of food dollar spent away from home by household income
(1980–81)

Household income	Proportion spent away from home
Under $5,000	27.0%
$5,000–$10,000	26.2
$10,000–$15,000	31.5
$15,000–$20,000	32.2
$20,000–$25,000	31.9
$25,000–$35,000	34.8
$35,000–$50,000	37.2
$50,000 and over	38.8
All households	**32.2%**

Note: *Proportion is for food only and does not include alcoholic beverages.*

Source: *How Consumers Spend Their Money,* Consumer Research Center, The Conference Board, 1984.

Share of total U.S. expenditures by household income for food away from home
(1980–81)

Household income	Percent of total households	Percent of total expenditures for food away from home
Under $5,000	17.9%	9.4%
$5,000–$10,000	17.8	10.1
$10,000–$15,000	14.4	12.2
$15,000–$20,000	12.4	12.9
$20,000–$25,000	11.4	13.6
$25,000–$35,000	15.3	21.8
$35,000–$50,000	7.7	14.0
$50,000 and over	3.1	6.0
Total	**100.0%**	**100.0%**

Sources: *How Consumers Spend Their Money,* Consumer Research Center, The Conference Board, 1984; NRA.

Per person expenditures for food and alcoholic beverages away from home
(1980–81)

Household income	Food	Alcoholic beverages
Under $5,000	$234.05	$30.22
$5,000–$10,000	228.54	33.64
$10,000–$15,000	295.51	40.74
$15,000–$20,000	312.16	43.01
$20,000–$25,000	334.89	40.80
$25,000–$35,000	388.98	51.17
$35,000–$50,000	450.06	50.65
$50,000 and over	508.24	75.28
All households	**$324.48**	**$42.40**

Source: *How Consumers Spend Their Money,* Consumer Research Center, The Conference Board, 1984.

Proportion of food dollar spent away from home by region and income
(1980–81)

Household income	Region			
	Northeast	Midwest	South	West
Under $5,000	21.2%	24.6%	26.4%	35.0%
$5,000–$10,000	20.1	26.9	24.8	26.6
$10,000–$15,000	27.5	31.1	32.3	34.6
$15,000–$20,000	33.6	28.3	33.2	31.0
$20,000–$30,000	32.0	28.5	33.3	38.2
$30,000 and over	36.5	37.0	41.1	36.1
All households	**30.6%**	**30.9%**	**33.6%**	**33.9%**

Source: *Consumer Expenditure Survey: Diary Survey, 1980–81,* Bureau of Labor Statistics, 1983.

household group accounted for 35.7 percent of all households but only 19.5 percent of the expenditures for away-from-home meals and snacks.

Spending highest for dinner . . .

Restaurant patrons spend the largest proportion of their eating out dollar for dinner. The typical household spent $140 per person on dinner in 1980/81 or roughly 43.0 percent of total food away-from-home expenditures. Lunch expenditures were a close second with an average yearly per person

Single person expenditures for food
(1980–81)

Households	Total food	Food at home		Food away from home	
		Amount	Percent	Amount	Percent
All singles	$1,344.64	$743.27	55.3%	$601.37	44.7%
Males	1,637.95	714.86	43.6	923.09	56.4
Females	1,134.07	763.66	67.3	370.41	32.7
Under 35 years of age	1,297.89	583.01	44.9	714.88	55.1
35 years of age and over	1,378.96	860.99	62.4	517.97	37.6
Total households*	**$1,007.46**	**$682.98**	**67.8%**	**$324.48**	**32.2%**

*Per person expenditures.

Source: *How Consumers Spend Their Money,* Consumer Research Center, The Conference Board, 1984.

Annual per person expenditures for food away from home by age and income (1980–81)

Household income	Age Under 25	25–34	35–44	45–54	55–64	65 and over
Under $5,000	$226.49	$170.86	$189.03	$206.32	$152.38	$138.26
$5,000–$10,000	263.18	187.01	171.18	172.10	174.76	180.16
$10,000–$15,000	431.89	281.54	184.81	219.91	295.72	385.72
$15,000–$20,000	513.93	353.78	252.13	282.81	326.70	400.40
$20,000–$30,000	686.69	420.27	301.18	388.99	413.29	515.10
$30,000 and over	979.91	541.73	481.21	535.10	588.28	825.88
All households	**$359.42**	**$344.07**	**$305.20**	**$352.87**	**$331.69**	**$258.76**

Source: *Consumer Expenditure Survey: Diary Survey, 1980–81;* Bureau of Labor Statistics, 1983.

expenditure of $120 or 36.8 percent of all away-from-home spending. Breakfast and snacks accounted for much lower per person expenditures—$19 and $45, respectively.

Upper income households spend the most per person for breakfast, lunch and dinner while lower income households spend the least. For instance, in 1980/81, households with annual incomes of $50,000 or more spent $28 for breakfast, $198 for lunch and $231 for dinner per each household member. The corresponding dollar amounts for the lowest income segment (those households earning less than $10,000 a year) were considerably lower—$14, $79 and $107, respectively.

Singles allocate 45 percent of food dollar to restaurant meals . . .

Single men and women tend to dine out frequently, and, as a result, the amount they spend for restaurant meals and snacks is considerably higher than that for other households. According to the 1980/81 survey, one-person households spent an average of $601 for away-from-home meals and snacks—the equivalent of 44.7 percent of their food dollar. In comparison, the typical household spent only about half as much—$324 per person.

Single men and singles under 35 years of age are primarily responsible for the above average spending for restaurant meals by singles. Single males from all age groups spent a whopping $923 on meals and snacks away from home. Single females spent a significantly lower $370, but they are often dinner guests. In addition, there are more women over 65 years of age living alone than men, and they cannot afford to dine away

Single person expenditures by meal period for food away from home (1980–81)

	Breakfast/ brunch	Lunch	Dinner	Snacks
Total singles	$44.65	$204.15	$284.11	$ 68.46
Males	78.41	286.00	466.03	92.65
Females	20.42	145.39	153.51	51.09
Under 35	51.00	238.74	314.59	110.54
35 and over	39.99	178.73	261.71	37.54
Total households*	**$19.29**	**$119.53**	**$140.33**	**$ 45.33**

*Per person expenditures

Source: *How Consumers Spend Their Money,* Consumer Research Center, The Conference Board, 1984.

Per person expenditures for food away from home by region and income (1980-81)

Household Income	Region Northeast	Midwest	South	West
Under $5,000	$111.40	$105.73	$153.30	$228.59
$5,000–$10,000	155.00	169.29	182.62	173.06
$10,000–$15,000	257.60	239.78	304.10	328.43
$15,000–$20,000	419.80	290.43	371.07	321.57
$20,000–$30,000	440.00	367.47	440.13	515.84
$30,000 and over	656.60	580.28	649.17	605.28
All households	**$326.97**	**$303.01**	**$329.42**	**$359.19**

Source: *Consumer Expenditure Survey: Diary Survey, 1980–81*, Bureau of Labor Statistics, 1983.

from home frequently.

Singles under 35 years of age spent $715, or 55.1 percent of their food dollar, on restaurant meals. This is considerably higher than the $518 or 37.6 percent spent by singles 35 years of age and over. Younger people living alone eat out more frequently because it is convenient and because it is a social activity. Older singles tend to eat out for more discretionary, or special, occasions. They opt for more meals at home. In 1980–81, they spent about $861 for food at home. In comparison, singles under 35 years of age spent a lower $583 on food at home.

Younger households spend most on restaurant meals . . .

Younger households tend to allocate a larger proportion of their food dollar to meals and snacks away from home. In 1980/81, households where the head was under 25 years old spent $359 per person, or 42.7 percent of the food dollar, at restaurants. When the head of household was between 25 and 34 years old, the expenditures were $344 or 35.8 percent. In contrast, households headed by a senior citizen spent less than $260 per person on food away from home.

But age is not the most important determinant of spending for restaurant meals and snacks. Income plays a larger role. As income rises within each age segment, spending for dining out also rises. For instance, in 1980/81 those 65 years old and over spent $138 if the annual household income was less than $5,000. The same group spent $826 if household earnings were more than $30,000 a year.

Restaurant expenditures vary by region . . .

Demographic, lifestyle and economic differences across the United States account for the differences in expenditures for food away from home. In 1980/81, Southerners and Westerners allocated 34 percent of their food dollar to restaurant meals while Northeasterners and Midwesterners spent a lower 31 percent. In terms of actual dollars spent, Westerners were first, averaging $359 per person for food away from home expenditures in 1980/81. Southerners and Northeasterners spent about equal amounts, averaging $330 per person. Midwesterners spent the least—$303 per person.

Within each region, income plays a large role in restaurant spending. As with age, as income rises, so do expenditures for away-from-home meals. Affluent Southerners allocate the largest proportion of their food dollar to food away from home—41.1 percent, but, in terms of actual dollars spent, Northeasterners in the top income bracket spent the most—a healthy $657 per person.

Away-from-home food expenditures likely to rise . . .

Although the figures presented here are averages only, they do provide considerable insight into spending patterns. Of particular importance is the fact that many of the heaviest restaurant spenders are members of demographic groups that will be increasing in the years ahead. These include singles and older, affluent households. As a result, away-from-home food expenditures are likely to rise.

—Bette Hoyt

Spotlight on hotel/motel restaurant patrons

To find out more about the hotel/motel restaurant segment and how it differs from the general restaurant sector, NRA commissioned GDR CREST Enterprises to do a special analysis of the dining patterns at hotel/motel restaurants. The report contains information for both midscale and upscale hotel/motel establishments and focuses on the variation in dining patterns among guests and non-guests. The study is based on data from the CREST Household Report *between September 1983 and August 1984. This article features the results.*

The hotel and motel restaurant segment is growing. It appears to have met the challenge of creating a unique identity to compete with local restaurants and should post sales of $11 billion in 1985. Lodging place restaurants are expected to report one of the strongest increases in real growth this year—3.7 percent—outpacing the projected total industry gain of 3.2 percent.

Most hotel/motel restaurant patrons are not guests . . .

Although hotel/motel restaurants must please both guests and non-guests, these two customer segments do not account for equal shares of customer traffic and expenditures. Non-guests make up a significantly larger portion of both traffic and total sales at hotel/motel restaurants—approximately two-thirds. This proportion holds true for both the midscale and upscale hotel segments.

Looking more closely at the midscale and upscale hotel sectors shows that midscale hotels capture a slightly larger share of the traffic at all hotel/motel restaurants—54 percent. On the other hand, upscale establishments account for a larger proportion of the dollars spent at all hotel/motel restaurants—59 percent.

Hotel/motel customer mix varies from most restaurants . . .

The customer mix at hotel/motel restaurants differs from most restaurants primarily because of the two different consumer groups these establishments serve—local patrons and travelers. In particular, hotel/motel restaurants serve more business travelers and vacationers than do most restaurants.

According to data from the annual *CREST Household Report* (December 1982–November 1983), which focuses on customers' activities before dining out, about one in four customers dining at lodging place restaurants are vacationers. This compares with a much lower 5.3 percent reported for all restaurants. Many hotel/motel restaurant patrons are also business travelers—approximately 18 percent. Again, this is significantly above the average proportion recorded for business travelers at all restaurants—4.8 percent.

Some of the patrons who make up an above average proportion of the customer mix at hotel/motel restaurants include:

- *Men:* Men account for 49.3 percent of customers at hotel/motel restaurants. This is slightly above the 47.7 percent reported for all restaurants and is probably due to the influence of business travelers.
- *Older patrons:* Consumers 50 years old and over make up a significant 46.6 percent of patrons at hotel/motel restaurants, substantially above the 27.6 percent average for all restaurants.
- *Singles:* Singles account for one out of three customers at lodging place restaurants, compared with a smaller 22.9 percent at all restaurants.
- *Upper income patrons:* Consumers with incomes over $40,000 make up 22.2 percent of the customer mix at hotel/motel restaurants. This is significantly above the 14.3 percent average reported for all restaurants.
- *Customers dining without children:* Only 7.3 percent of patrons dining at hotel/motel restaurants are with children. This is substantially below the proportion at all restaurants—17.3 percent.

Demographic differences between guests and non-guests . . .

The customer mix also depends on whether patrons are guests or not. The demographic characteristics of these two groups can vary quite a bit.

For instance, although men and upper income patrons make up an above average proportion of all the customers at hotel/motel restaurants, these segments are even more likely to dine at hotel/motel eating establishments when they are guests. Families with children are also more likely to dine at hotel/motel restaurants when they are traveling. Although customers with children are less likely to dine at hotel/motel restaurants than most patrons, children and teenagers account for a larger proportion of customer traffic when they are guests.

On the other hand, some groups are more likely to patronize lodging place eating establishments when they are not guests. For example, even though older patrons and singles account for an above average proportion of hotel/motel customers, they are even more apt to dine at these establishments when they are not guests. This suggests that single customers and older patrons are particularly good markets for hotel/motel restaurateurs—both as guests and local patrons. Even though consumers with incomes under $20,000 are not frequent hotel/motel patrons, this segment is more apt to dine at lodging place restaurants when they are not guests.

Midscale and upscale hotel/motel customer mix differs . . .

There are also differences between guests and non-guests at midscale and upscale hotel/motel restaurants. In general, the customer mix in both segments conforms to the guest/non-guest proportions, but there are differences between upscale and midscale customers. Some of these include:

- Older customers make up a slightly larger proportion of the customer traffic at midscale establishments than at upscale hotel/motel restaurants.
- Individuals under 18 years old comprise a larger

MOTEL

Proportion of hotel/motel customer traffic

Midscale hotel guest	20.0%		
Upscale hotel guest	16.2%	Total guest	36.2%
Upscale hotel non-guest	29.4%		
Midscale hotel non-guest	34.4%	Total non-guest	63.8%
Total	**100.0%**		

Source: *CREST,* exclusive analysis for NRA.

Proportion of hotel/motel expenditures

Midscale hotel guest	14.6%		
Upscale hotel guest	18.7%	Total guest	33.3%
Upscale hotel non-guest	40.0%		
Midscale hotel non-guest	26.7%	Total non-guest	66.7%
Total	**100.0%**		

Source: *CREST,* exclusive analysis for NRA.

HOTEL

Proportion of age groups dining at hotel/motel restaurants

Age	Total restaurants	Total hotel/motel restaurants	Hotel guests	Hotel non-guests
under 18	22.8%	8.7%	10.8%	7.9%
18–24	10.1	5.2	4.5	5.1
25–34	19.3	15.6	16.3	15.0
35–49	20.2	24.1	28.7	22.6
50–64	16.1	26.9	24.6	28.5
65 and over	11.5	19.7	15.2	20.8

Source: *CREST*, exclusive analysis for NRA.

Proportion of income segments dining at hotel/motel restaurants

Household income	Total restaurants	Total hotel/motel restaurants	Hotel guests	Hotel non-guests
under $20,000	43.7%	33.3%	22.9%	35.4%
$20,000-$29,999	24.9	24.5	24.7	24.3
$30,000-$39,999	17.1	19.9	24.1	18.8
$40,000 and over	14.3	22.2	28.2	21.4

Source: *CREST*, exclusive analysis for NRA.

share of the customer traffic at midscale hotel/motel restaurants than at upscale establishments.

- Singles account for a bigger proportion of upscale hotel/motel customer traffic than at midscale establishments.
- Upper income patrons are a larger portion of the overall customer mix at upscale hotel/motel restaurants.

Hotel/motel visit frequency approximates upscale restaurant segment . . .

On average, 9.2 percent of all Americans dine at hotel/motel restaurants at least once in a two-week period and generally average 2.2 visits to hotel/motel restaurants during that time. This approximates the average visit frequency rate for the total upscale restaurant segment. The hotel/motel restaurant visit frequency rate is less, however, than the total midscale restaurant group (3.7 visits in an average two-week period) and the overall quick service restaurant segment (6.6 visits).

Looking at the difference in visit frequency between guests and non-guests shows that hotel/motel guests are more frequent patrons, averaging 2.8 visits per two-week period. Non-guests, in contrast, average 1.7 visits.

This suggests that even though non-guests comprise a larger proportion of hotel/motel diners, customers are apt to dine at hotel/motel restaurants more frequently when they stay at the establishment. This is probably due to a large number of customers who opt to eat more than one meal at a lodging place restaurant during their stay.

Which meals do customers eat at hotel/motel restaurants? . . .

Traffic is fairly evenly divided among the three meal periods at hotel/motel restaurants, with dinner accounting for a slightly higher 34.6 percent.

Here again there are differences between guests and non-guests. For instance, six out of 10 patrons eating breakfast at lodging place establishments are guests. During lunch, only 18 percent of the customers are guests; and at dinner, almost a third of the patrons are hotel/motel guests.

Looking at the proportion of meal occasions among the midscale and upscale hotel segments shows that breakfast accounts for the largest proportion of traffic at midscale establishments—35 percent. Dinner is second with 31 percent, and lunch follows with 28 percent of the total customer traffic at midscale hotel restaurants. Dinner is the most popular meal at upscale hotel restaurants, accounting for 39 percent of all customer traffic. A third of the upscale hotel restaurant patrons eat lunch at these establishments, while a smaller one in four eat breakfast.

Hotel/motel average check size higher than most restaurants . . .

The average per person check at hotel/motel restaurants is $5.92, compared with a much lower $3.30 average for the total restau-

Proportion of household sizes dining at hotel/motel restaurants

Household size	Total restaurants	Total hotel/motel restaurants	Hotel guests	Hotel non-guests
1	22.9%	29.5%	23.6%	30.6%
2	33.1	35.2	34.2	36.1
3–4	32.7	26.5	29.8	25.6
5+	11.3	8.7	12.4	7.8

Source: *CREST*, exclusive analysis for NRA.

rant group. However, the average per person check at upscale hotel/motel restaurants ($7.62) is smaller than the per person check in the total upscale restaurant segment ($8.32). On the other hand, the per person check at midscale hotel/motel restaurants ($4.49) is generally larger than the average check in the overall midscale restaurant group ($3.88).

Non-guests usually average higher checks than customers staying at the hotel or motel. This is probably due to the larger number of guests who eat breakfast at hotel/motel restaurants, which tends to bring down the overall average check size.

Hotel/motel patrons use more deals . . .

A larger percentage of diners use deals at hotel/motel establishments than at most restaurants. Deals are used on 13.5 percent of all dining occasions at lodging place restaurants. This compares with a 10.6 percent average at all restaurants.

Hotel/motel guests are more apt to use deals than non-guests. Guests take advantage of some kind of deal on 14.4 percent of the occasions, while for non-guests the percentage is a smaller 12.9 percent. In general, midscale hotel guests use deals more often than midscale hotel non-guests—15.8 percent of the occasions versus 11.9 percent. In contrast, non-guests at upscale hotel/motel establishments use deals more frequently than guests—14.1 percent of all occasions versus 12.6 percent.

Most of the deals used at hotel/motel restaurants are “special events” (28.4 percent of all deal occasions) and “other deals” (57.7 percent). A substantial eight out of 10 deals used by hotel/motel guests are “other deals,” usually package promotions which include meals with the hotel/motel stay.

Comparing hotel/motel deal usage with other restaurants shows that hotel/motel restaurants are much less apt to use coupons or “price off” deals than most restaurants. For instance, coupons are used on almost half the deal occasions at most restaurants, while hotel/motel patrons use coupons on only 8.6 percent of their deal occasions.

Hotel/motel restaurants—a challenging segment . . .

Because the hotel and restaurant segment is especially sensitive to economic ups and downs, restaurateurs in this segment have developed a keen sensitivity to customer needs.

In the service area, many hotel/motel restaurants are providing several kinds of on-premise eateries, including quick-service operations as well as full service dining rooms. This offers different forms of service for different customer needs.

To keep up with national dining trends, several hotel/motel restaurateurs have pioneered light and nutritional menus. Establishments are also taking advantage of customers' growing interest in breakfast by promoting business breakfasts and extravagant brunches.

To increase menu variety (important in pleasing local customers), some hotel/motel restaurants have developed seasonal menus featuring fresh specialties. And some establishments create different ethnic food festivals, focusing on a variety of ethnic foods.

To further increase customer traffic and overall sales, many hotels and motels offer weekend and off-season package deals. Often these promotions include meals with the total cost of the package. Finally, in an effort to promote their establishments and boost sales, more hotels are focusing on catering.

—Cecelia Niepold

Percentage of occasions using deals

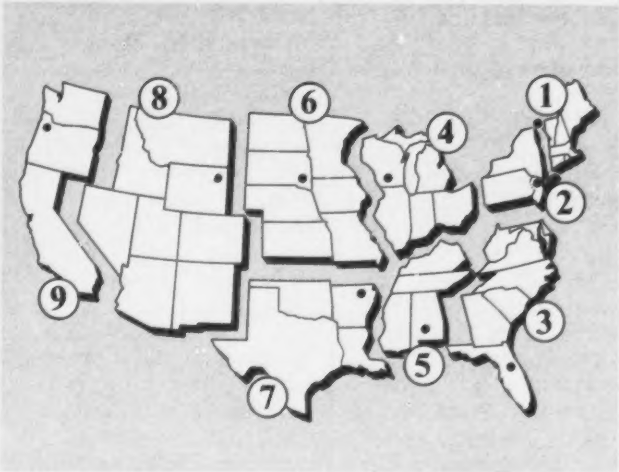
	Coupons	Special events	Price off	Other deals
Total hotel/motel restaurants	8.6%	28.4%	5.3%	57.7%
Hotel guests	4.2	12.4	2.8	80.6
Non-guests	11.5	39.0	7.0	42.5
Total restaurants	**45.9**	**22.5**	**11.1**	**20.6**

Source: *CREST*, exclusive analysis for NRA.

How's business?

by Cecelia Niepold

To succeed, restaurateurs must react to variables in their environment. Although seasonal and economic changes affect everyone, this month's interviews show that they can vary from region to region.



1

NORTHEAST

Location: Wilmington, VT
NRA member: Sonny Gates
Operation: Chris & Sonny's Cup 'N Saucer
Profile: Coffee shop
In business: Almost 2 years
Seats: 25
Meals served: Breakfast, lunch, dinner

"Business has been fair, but not quite as good as last year," says **Sonny Gates,** co-owner of Chris & Sonny's Cup 'N Saucer. Gates' restaurant, a small coffee shop with 25 counter stools, is located in a small southern Vermont town near several ski areas. The region has had less snow than last year, which has slowed business.

Even though Gates has owned the restaurant for only a short time, the establishment has been in operation for 23 years and has a well-established reputation for serving good quality food at relatively inexpensive prices. The restaurant specializes in breakfast, and menu favorites include hot sausage patties and blueberry pancakes.

2

MIDDLE ATLANTIC

Location: Elizabeth, NJ
NRA member: Joanne Festa
Operation: The Old Mansion Restaurant
Profile: Fullservice restaurant
In business: 3 years
Seats: Dining rooms, 125; ballroom, 180
Meals served: Lunch, dinner

According to **Virginia Connolly,** corporate sales manager for The Old Mansion Restaurant, business in the area is growing, spurred on by the relocation of New York City businesses to the New Jersey area. The Old Mansion Restaurant, three or four minutes from the Newark, NJ, airport, is benefiting from the growth.

The restaurant, a restored federal-period mansion, features French and Italian cuisine in an elegant setting. The establishment caters to corporations and private individuals. To promote the facilities for business meetings, the restaurant sends a monthly newsletter to corporations that advertises nightly specials. To capture more private party business, the establishment is only open for dinner on weekends. This enables the restaurant to use its graceful ballroom and smaller dining rooms during the day for special celebrations, such as weddings.

3

SOUTH ATLANTIC

Location: Lake Wales, FL
NRA member: Carl Hinshaw
Operation: Chalet Suzanne
Profile: Restaurant and country inn with 30 guest rooms
In business: 54 years
Seats: 150
Meals served: Breakfast, lunch, dinner

"Business is going fine, about the same as last year," says **Carl Hinshaw,** owner of Chalet Suzanne. Located in the central part of Florida, about an hour south of Orlando, the chalet is a little off the beaten path. Even so, customers have been searching out its eclectic fare and unique accommodations for over half a century.

Part of the chalet's charm is its picturesque fantasyland atmosphere. Turrets, balconies and stained glass windows grace the pastel-colored buildings, which are connected in a haphazard but eye pleasing manner. The restaurant's foyer, for instance, was once part of the hen house and is attached to a section of the former stable. Inside, the rooms contain antiques and knick/knacks that Hinshaw's mother (the Chalet's founder) gathered from around the world. No two rooms or tablesettings are alike. Each table is set with different pieces of silver, china and glassware collected in Europe.

The menu features seven different gourmet specialties, such as the chicken Suzanne—an herb-flavored treat with an amber glaze. The restaurant is particularly well-known for its unique soups that are served in large Norwegian ceramic ashtrays.

Several of the Chalet's canned soups were approved by NASA and taken to the moon aboard two Apollo flights. Today, earthbound customers can purchase the soups at gourmet specialty shops across the country.

4

EAST NORTH CENTRAL

Location: Madison, WI
NRA member: Gary Poole
Operation: Poole's Cuba Club
Profile: Fullservice restaurant
In business: 40 years
Seats: Restaurant, 225; banquet room, 120
Meals served: Lunch, dinner

"Even though the competition is booming—restaurants seem to be opening each week—we're still doing well," says **Joel Egan,** manager of Poole's Cuba Club. "The west side of Madison is really expanding. Businesses are going up left and right," he explains.

Egan attributes the restaurant's continuing success to its well-established reputation, menu variety, versatility and promotions.

A recent promotion was an office party giveaway that customers could win by calling a radio station at a certain time. The tag line was "See (C) You (U) Back (B) Again (A)" and "let's "C" "U" "B" "A" customer." The catchy phrases have stuck with the restaurant ever since.

5
EAST SOUTH CENTRAL

Location: Montgomery, AL
NRA member: Judy Martin
Operation: Vintage Year
Profile: Fullservice restaurant
In business: 2 ½ years
Seats: 50
Meals served: Lunch, dinner

"Although there was a little bit of a letdown after the busy holiday season, business has been pretty steady," says **Judy Martin,** co-owner of Vintage Year.

Martin believes it's important to introduce customers to new tastes and experiences. Consequently, she changes her nouvelle American menu weekly. Recent innovative items have included baby salmon with a macadamia nut stuffing and a ginger lime sauce and a Cajun-style, sauteed whitefish with a pecan butter sauce.

Martin also encourages patrons to experiment with wines at the restaurant's retail wine shop. "It's proven to be a lot of fun for people. It hasn't been that long since Alabama laws have allowed people to purchase wine outside of state liquor stores," she explains.

The atmosphere also varies. Vintage Year displays Southern artists' works, and the exhibits change frequently.

6
WEST NORTH CENTRAL

Location: Yankton, SD
NRA member: Charles Petersen
Operation: Library Restaurant
Profile: Fullservice restaurant
In business: 5 years
Seats: 175
Meals served: Lunch, dinner

"Business is down," says **Lance Czermack,** manager of the Library Restaurant. Located in the "heart of corn country" in the southeastern tip of South Dakota, Yankton is feeling the effect of the downturn in the local agricultural economy.

Charles Petersen, the Library's owner, is working to expand the restaurant's business by increasing the parking facilities and offering brunch. He also plans to build an addition to use as a convention/conference room.

Even after the changes, the Library's greatest asset will most likely remain the building itself. It's an early 1900s library which has been carefully restored. A particularly charming feature is the third floor—once a bell tower. Here customers can relax in Victorian chairs and couches under a large rotunda with beautiful stained glass windows. A spiral staircase connects the area to the second floor, which features fine dining in three elegant rooms. Downstairs, the Best Seller lounge offers a more casual atmosphere and menu.

7
WEST SOUTH CENTRAL

Location: Paragould, AK
NRA member: Ann Couch Horne
Operation: Couch's Log Cabin Bar-B-Q
Profile: Fullservice restaurant
In business: 7 years
Seats: 230
Meals served: Breakfast, lunch, dinner

"Business has been slow, the local farmers have had a bad year, and a couple of factories have also closed down," says **Ann Couch Horne,** owner of Couch's Log Cabin Bar-B-Q. The restaurant, designed by Horne to recreate an authentic log cabin, is located in a small town in the northeastern part of Arkansas.

Variety seems to be the key ingredient at Couch's Log Cabin Bar-B-Q. Although the restaurant's specialty is barbecue (a family recipe that's been handed down), the menu offers many different entrees ranging from catfish to steaks. The establishment also features several kinds of service—a drive-through window, a self service buffet and a fullservice dining room in an upstairs loft area. Horne has just recently introduced an upscale section which features candlelight dining.

8
MOUNTAIN

Location: Moorcroft, WY
NRA member: Robert Lynch
Operation: Hub Cafe
Profile: Fullservice restaurant
In business: 22 years
Seats: 150
Meals served: Breakfast, lunch, dinner

"Business is generally a little slow this time of year, but we're up about five percent from last year," says **Robert Lynch,** owner of the Hub Cafe. Located about 100 miles west of Mount Rushmore, the small town of Moorcroft (population 1,100) has a busy summer season due to traveling tourists. Oil and coal are also major factors in the area's economy. The restaurant's name stems from its past as the hub of the local oil men's gatherings.

The establishment serves a variety of entrees but is especially known for its steaks—particularly its 16-ounce T-bones. During the off-season winter months, Lynch gives away every 13th steak to boost customer traffic. It's a popular promotion, and sometimes he gives away two or three steaks in one day.

9
PACIFIC

Location: Seaside, OR
NRA member: George Daggett
Operation: Crab Broiler
Profile: Fullservice restaurant
In business: 47 years
Seats: 300
Meals served: Sunday brunch, lunch, dinner

"Business has been very strong this winter; we had a record January," says **Tom Hall,** chef at the Crab Broiler. Heavy snow during part of February slowed business somewhat, however.

Located in a small town near the ocean, the family-owned restaurant is well-known for its variety of seafood entrees. A particular favorite is the barbecued crab served in its shell.

Besides good seafood, the establishment also offers an interesting mix of atmospheres. For instance, one dining room is very cozy with a big fireplace and an old stone wall. The garden room, on the other hand, is more airy with large glass windows overlooking a Japanese garden.

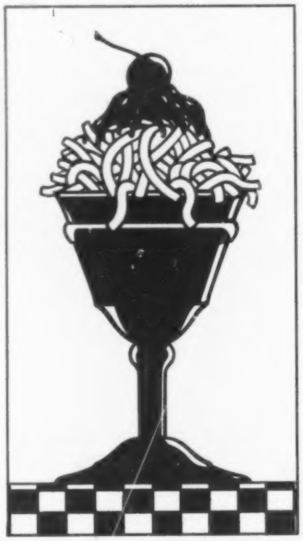
FOOD FOR THOUGHT

Noodles for a sweet tooth

Martin Johner, chef of the Culinary Center of New York, put some demographic information to creative use. He combined two popular food items—fettucini and chocolate—into a first course at the recent Explorers Club Celebration of Chocolate dinner. Since then, the dish has been put on several restaurant menus.

If the combination seems like an odd coupling, don't be concerned. The fettucine is actually crepes sliced into fine strands and laced with warm bittersweet chocolate sauce. The recipe for the dish comes from Johner's new book, *Successful Parties: Simple and Elegant.*

—*Tables* magazine



Take-out tickles rib lovers

"East coast, west coast, up and down the country . . . and we've had orders from England, Germany, Japan and Canada," says Nick Vergos, managing partner of the Rendezvous restaurant, Memphis, TN. What product has tickled the fancy of customers on three continents?

Southern-style barbecued ribs, that's what. The Rendezvous, long famous for its ribs, had been shipping them to former Memphians for some time. Last fall, at the suggestion of a customer, Vergos placed a small advertisement in *The Wall Street Journal.* It struck a note with rib-lovers. In December alone, Vergos shipped more than 2,500 pounds of his well-seasoned ribs.

—*USA Today*

BONN
TOKYO
LONDON

Dining on display

In the nation's capital, who is seen dining with whom means a great deal in business and social circles. But a recent promotion sponsored by a downtown department store involving six posh restaurants took "high profile dining" to a new extreme—even for Washington.

One day last month, passersby at one of Washington's busiest intersections could look in the display windows of Raleigh's, a men's and women's clothing store, and see six of Washington's most prominent restaurateurs seated at white-clothed tables, sipping wine and eating shrimp pate. The "diners on display" were part of Raleigh's campaign to promote its line of business suits for Washington's power lunches.

"We originally intended simply to have our mannequins on display in restaurant settings," explains David Nellis, vice president of sales promotion for Raleigh's. "But then we thought, hey, wouldn't it be a good idea to invite the restaurant owners themselves to have lunch in our windows. Frankly, we weren't too sure they'd accept."

But they did. And what did they discuss, as spectators and local television crews looked on? In true Washington fashion, nobody knows for sure.

—***NRA NEWS*** *interview*

Kraft participates in voluntary government inspection program

The Kraft, Inc. Foodservice Group has decided to participate in the National Marine Fisheries Service's voluntary fishery products inspection program. By contracting to have its seafood products inspected and graded by the U.S. Commerce Department, Kraft becomes the largest foodservice distributor to take part in the federal seafood inspection program.

In conjunction with this announcement, the Foodservice Group introduced its first item in a gourmet breaded shrimp line. The new product has already been submitted for government inspection and has been certified U.S. Grade "A."

"The inspection program will detect commodity products that do not meet the government's requirements, prevent packaging of inferior products and maintain quality standards during processing," says William Kooy, seafood procurement marketing manager for Kraft's Foodservice Group. Kraft, the fifth largest distributor of foodservice products in the U.S., distributes more than 900 various frozen seafood items to foodservice operators nationwide.

—*Kraft, Inc. Foodservice Group*

NRA Grand Banquet & Show

Are you looking for an entertaining way to please a good client or perhaps impress a prospective one?

How about a way to congratulate your staff on a great NRA Show or a banner sales year?

An ideal way to accomplish any of these goals is by bringing them to the **NRA Grand Banquet on Tuesday night** during the NRA Show. In a setting that's both festive and relaxed, you'll get a chance to sit down and talk person to person, away from the hubbub and competition of the exhibit floor.

There's no more exciting social event, nor better value in the city of Chicago during the NRA Show. The price of the ticket includes a cocktail reception, a multi-course gourmet dinner specially developed by the Executive Chef of the Hyatt Regency Chicago, continuous music and dancing, and a fantastic show. With tax, gratuity and everything included—and paid for in advance—it's a time to relax and just enjoy the evening with friends.

The highlight of the evening is the entertainment and this year will be one of the best you'll ever see. It stars Paul Anka, an incredible talent whose career has spanned four decades already. He has been a sensation from his first hit ***Diana*** in 1956 to his sold-out Las Vegas shows in 1985. ***Put Your Head On My Shoulder, Lonely Boy, The Tonight Show Theme*** and ***My Way*** are just a few of 400 compositions he's written. It promises to be a perfect ending to an evening of fun and entertainment.

Reserve your table today, or purchase tickets individually. Preferential seating will be accorded NRA exhibitors who respond early.

Order Tickets Now!

The NRA Grand Banquet ticket includes:
- Cocktail Reception
- Music at Reception
- Multi-Course Gourmet Dinner
- Wine at Dinner
- Fabulous Las Vegas-Type Show
- Continuous Music and Dancing
- Tax and All Gratuities Included

ALL FOR ONLY **$100.00** PER TICKET

Entertain your best customers at the best—**the NRA Grand Banquet.**

The best show of the Show

Starring: Paul Anka

Tickets will be mailed on or about May 1, 1985. Sorry no refunds after April 30, 1985.

To reserve tickets simply complete the reservation form between pages 40-41 and return immediately.

National Restaurant Association Vol. 5 □ No. 5 □ May 1985

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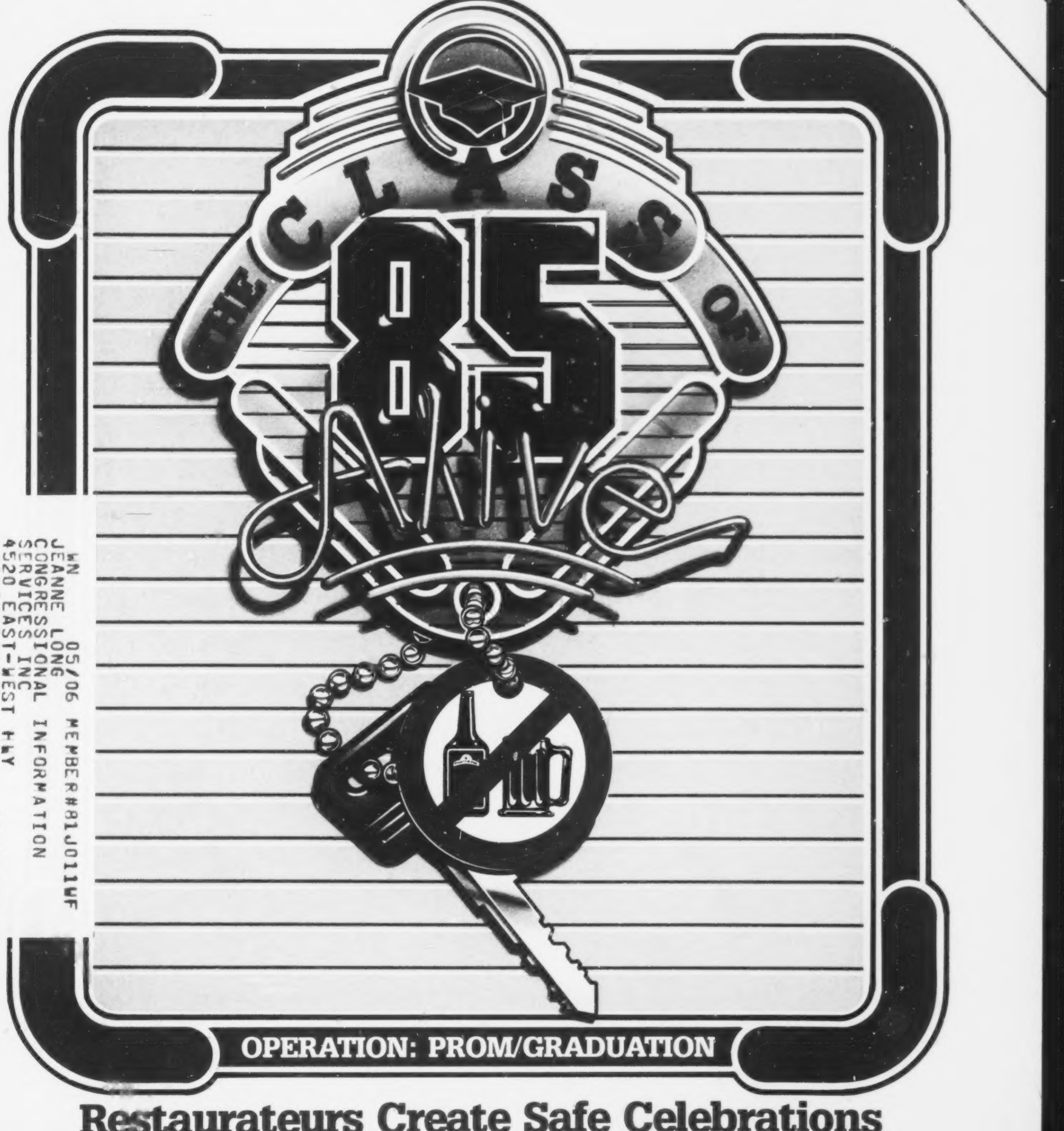
NRA NEWS

SPECIAL PULL-OUT SEMINAR SCHEDULE



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NRA MEETINGS

Seminars

Basic Foodservice Courses

Basic Supervision in Foodservice

6/11	Orlando, FL
6/26	Seattle, WA
7/17	Memphis, TN
8/5	Portland, OR

Dining Room Management

6/17	Annapolis, MD
6/19	Jackson, MS
7/9	Irvine, CA
7/30	Atlanta, GA

Increasing Foodservice Productivity

6/18	Westchester, NY

Kitchen Management

6/10	Orlando, FL
6/19	Hartford, CT
7/9	Charleston, WV
8/7	Boston, MA

People-Power and Profits

5/29	Williamsburg, VA
7/15	Newark, NJ
7/17	Portsmouth, NH

Tools for Training

7/9	Phoenix, AZ
8/13	Tulsa, OK

Food Production Courses

Creative Buffets

7/15	Louisville, KY
8/3	New Orleans, LA

The Pantry: Prep for Profit

6/11	Orlando, FL
8/1	Hartford, CT

Perfecting Your Culinary Skills

6/5	Hyannis, MA
7/30	Cleveland, OH

Simplified Baking Workshop

6/6	Detroit, MI
8/13	Hyde Park, NY

Soups and Sauces

6/10	Orlando, FL
6/12	Columbia, SC
8/5	Detroit, MI

Foodservice Management Courses

Computers in Foodservice: A Primer

6/3	Boston, MA
6/25	Minneapolis, MN
7/11	Portland, OR
7/23	San Jose, CA
8/13	Milwaukee, WI

Computers in Foodservice: Advanced Technology

6/4	Boston, MA
6/26	Minneapolis, MN
7/22	Seattle, WA
8/5	San Jose, CA
8/14	Milwaukee, WI

Creative Merchandising Techniques

6/24	Cincinnati, OH

Food Cost Management

6/25	Madison, WI
6/27	Billings, MT
7/15	Sarasota, FL
8/12	Vienna, VA

Menu Development

6/19	Norfolk, VA
7/23	Madison, WI
7/25	Saginaw, MI

Off-Premise Catering

6/3–4	Portland, OR
6/24–25	Denver, CO

Operational Analysis

6/5–6	Los Angeles, CA

Planning & Implementing Restaurant Marketing Strategy

6/10–11	Orlando, FL
7/10–11	New Orleans, LA
8/7–8	Pittsburgh, PA

Please note that registration fees have been reduced for the Basic Foodservice Courses.

For more information, please contact:
NRA Education Programs
311 First Street, N.W.
Washington, DC 20001
800-424-5156 or
(202) 638-6100

Study Group Meetings

Foodservice Security Council

7/14–17	Newport Beach, CA

Labor Relations

7/15–16	Boston, MA

Safety Officers

7/17–19	Newport Beach, CA

Internal Audit

9/ 17–20	New Orleans, LA

Financial Officers

9/18–20	Boca Raton, FL

Tax Executives

9/18–20	Boca Raton, FL

EDP

10/15–18	Boston, MA

Marketing Executives
Fall, 1985

Market Research
Fall, 1985

Large Independent Operators
Fall, 1985

Foodservice Purchasing Managers
Fall, 1985

MAECO
Fall, 1985

For more information on specific study groups, contact Philip Kralovec, (312) 853-2525.

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Vol. 5 No. 5 May 1985

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Editorial offices
and NRA headquarters
311 First Street, N.W.
Washington, DC 20001
(202) 638-6100

Chicago offices
One Park Place, Suite 2000
Chicago, IL 60601
(312) 853-2525

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PRESIDENT'S REPORT

Harris O. Machus
President and Owner
Harris O. Machus
Enterprises, Inc.
Birmingham, Michigan

Each year during the NRA Show, the general membership elects new officers. This, then, is my last report to you as Chairman of the Board and President of your association.

My 12-month term has been exciting and eventful. NRA's goals can be described as education, promotion and protection. In each of these areas, there has been significant activity and great moments which will have a lasting effect on our association and our industry.

Providing educational programs

Consider the area of education. This past year NRA, in cooperation with the state restaurant associations, has offered 250 seminars in sites near you. More than 7,500 foodservice operators and employees have attended.

The National Conference program, which brings operators and experts together for three days of idea exchange, reached maturity this year. Conferences on marketing and promotion, wine selection and merchandising, computerization and catering were offered with approximately 200 people attending each conference.

I was privileged to open the new National Conference for Independent Operators. It was one of those great moments I mentioned. NRA had supplied the place and the occasion for the great community of independent operators within our industry to meet and exchange ideas.

Considered alongside NRA's Executive study groups, attended by executives from the chains, this new annual conference demonstrates the association's capacity to provide services for the great diversity of operations that constitute its membership. NRA is truly the forum of the whole foodservice industry.

Promoting the industry

Our second goal is promotion—placing the industry and its services before the public in a positive light. During the past 12 months, NRA press conferences, press releases and contacts have generated more than six thousand newspaper and magazine articles.

Wherever I have traveled on behalf of NRA, I have met with great media interest. I was continually questioned about NRA programs and industry trends. In February, I was invited to appear as your association president on ABC's "Good Morning, America" and given the opportunity to describe foodservice as an industry that is prospering through quick and creative response to consumer demand. They tell me five million people saw that interview.

But perhaps the greatest moment in regard to promoting the industry came at Christmas when President Reagan invited me as your representative to receive a plaque in the presence of the press corps. He was honoring us for the NRA Projects with Industry, which placed 10 thousand handicapped people in foodservice jobs in 1984. By honoring NRA at the White House, President Reagan focused attention on our industry as an important sector of the economy that employs eight million men and women.

Protecting the interests of the industry

I come last to what is today NRA's primary activity—protecting the industry against government intervention in our business.

NRA has been carefully monitoring legislative proposals to make certain that budget cuts or tax simplification do not place an unnecessary burden on the foodservice industry.

We are particularly anxious to prevent the elimination of the Targeted Jobs Tax Credit (TJTC), which allows us a tax credit for hiring from underprivileged segments of the population.

We are carefully watching proposals that would curtail deductions for business travel. They would be a serious blow to the whole hospitality industry.

And we are waging an on-going battle to prevent limitations being placed on the business meal deduction. Such a change in the tax code would cost the jobs of thousands of our employees and force many leading restaurants out of business. We will fight it to the end.

There has been significant success in regard to other political issues during this past year. Foodservice operators everywhere have embraced NRA's Alcohol Awareness program. They are sending bartenders and servers to the association's training course. They are eliminating promotional practices that might be perceived as fostering drunkenness, and they are joining in the national effort to educate the public about the dangers of drunk driving.

These people are in no way responsible for drunk driving, but they are taking responsible action to help reduce this broad social problem. By doing so, they are defending themselves against misguided legislation and third-party liability suits.

Another successful campaign involved a proposal that would have required us to place labels on menus or signs on walls when sulfites are present in restaurant foods. A study prepared by a panel of biologists for the Food and Drug Administration (FDA) recommended just such a regulation as the solution to the sulfite problem.

In one of those great moments of which I spoke earlier, NRA spokesmen appeared before this panel and explained in detail why it is impossible for restaurateurs to label the contents of their food. Our explanation was thorough and convincing. The labeling proposal was stricken from the report. We were able to avoid the setting of a very dangerous precedent.

It is this kind of quick and effective action by your association that will help preserve a business environment in which we can continue to thrive.

I am proud to have been involved in the day-to-day workings of NRA during the past year. I am proud that our industry is represented by so successful an association. I thank you for giving me the honor of serving as your president.

During the last month, 264 members joined NRA. I welcome you to the most prestigious foodservice trade association in the world. Your participation in NRA will make your business grow and make the association more effective in its endeavors on your behalf. We're glad to have you with us.

Sincerely,

Harris

Harris O. Machus
President & Chairman of the Board

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SHORT ORDERS

Reprint series begins

Filling job openings in the foodservice industry with well-qualified candidates will be one of the biggest challenges facing the foodservice industry during the next decade. *Building Excellence: Selecting, Motivating and Retaining a Professional Foodservice Staff* is the title of a new NRA publication that focuses on employee management.

The 52-page book is the first of a series of article compilations previously published in ***NRA NEWS.*** Seventeen articles provide a how-to look at making the most of full and part-time workers. Causes of employee turnover, how to motivate seasonal and hourly employees, and how to make use of employee incentives are some of the topics covered.

Building Excellence: Selecting, Motivating and Retaining a Professional Foodservice Staff is available to members and non-members for $11.95 plus $2.00 postage and handling. It can be ordered through NRA (publication number: MG865) or by writing: NRA, Publications Dept., 311 First St., N.W., Washington, DC 20001.

Liquor liability coverage update

The American Insurance Association (AIA) has provided NRA with a list of insurance companies that reportedly provide liquor liability coverage to restaurants. Most of the companies require the writing of the full liability line and include liquor liability as part of the total package because operators have had problems securing coverage in certain parts of the country. NRA is making the list available to members. Simply contact the NRA Legal Department at (800) 424-5156 or (202) 638-6100.

NRA's group insurance plan also provides liquor liability coverage as part of its general liability package. For more information about the plan, contact A.J. Bankovich of MarketDyne International, Inc., (404) 252-3703.

'Ice Cream for America' program set for July

The third annual "Ice Cream for America" program, sponsored by the International Association of Ice Cream Manufacturers (IAICM), is scheduled to coincide with National Ice Cream Month in July.

The program is designed to "celebrate America's love affair with ice cream," according to IAICM cochairmen Kenneth J. Douglas and John F. Garber.

"Ice Cream for America" is designed to stimulate regional and local festivals sponsored by ice cream companies and distributors throughout the U.S. during National Ice Cream Month. Contests, carnivals and charity events are being planned for the entire month and for National Ice Cream Day on July 15.

For more information on how you can promote "Ice Cream for America" in your establishment, contact IAICM, 888 16th St., N.W., Washington, DC, 20006, or call the Ice Cream Hotline: (202) 296-4255.

'Favorite restaurant' sweepstakes winner named

Customers of restaurants across the country recently competed with each other for the right to name their favorite establishment as the best in the Inglenook Celebration sweepstakes.

The program, sponsored by Heublein, Inc., producer of Inglenook wines, attracted more than 300,000 entries, all competing for the grand prize of an expense-paid trip to the restaurant of his or her choice anywhere in the country. Grand prize winner was Barbara Schultz of Hopkins, MN, who named the Bristol Bar & Grill in Minneapolis as her favorite restaurant. Schultz accepted the cash equivalent of $5,000 as her award, which will help her purchase a house. Two hundred first prizes of $100 each, to be used for dinner at a favorite local restaurant, were also awarded.

Free 'Bartenders Guide to Mocktails'

NRA Showgoers will have an opportunity to sample concoctions from the newly-published "Bartenders' Guide to Mocktails" as they check into three prominent Chicago hotels during the NRA Show this month. The Palmer House & Towers, the Hyatt Regency Chicago and McCormick Center Hotel will all be serving complimentary mocktails to NRA guests, using recipes from the booklet, which is published by Equal low-calorie sweetener and Le Gout natural juice bases.

The "Bartenders' Guide" is a collection of 25 mocktail recipes. New twists on old favorites, such as "Pina Not-A-Colada" and "Frozen Mockarita" are included in the booklet as well as new concoctions like "Cranberry Coconut Smoothie" and "Apricot Brandy Flip."

In addition to the booklet, Equal and Le Gout are sponsoring a nationwide contest for bartenders and other foodservice employees to create the "Great American Mocktail." Prizes include two grand prize trips to Acapulco plus cash awards. All winning recipes will be featured in a new mocktail collection to be published next fall.

For more information on the contest or to obtain your free copy of the booklet, call 1-800-323-6490. In Illinois call 312-678-1241.

WASHINGTON REPORT

Congress repeals auto log rules

Both the House and Senate have repealed the "contemporaneous" auto recordkeeping provision contained in the Tax Reform Act of 1984, relieving restaurateurs and other business people of burdensome new paperwork requirements.

The repeal legislation was adopted just before Congress adjourned for its Easter recess. Although the House and Senate approved differing versions, a conference committee is expected to iron out differences and President Reagan is expected to sign the legislation into law.

NRA joined over 50 other business groups in opposing IRS rules stemming from the 1984 law. NRA argued in testimony, submitted to the House Ways and Means Committee in March, that the new rules create unnecessary recordkeeping and compliance costs for businesses of all sizes.

The IRS rules required a log for each vehicle detailing the driver's name, mileage at start and finish of each leg of a trip, date, times and reasons for visits.

Members of Congress voted overwhelmingly for repeal, citing thousands of angry letters from constituents about the needless government paperwork. Many congressmen said they had received more mail on auto logs than on any issue in recent memory.

However, the House voted to limit depreciation write-offs for luxury automobiles to offset the revenue loss resulting from the repeal.

The House bill would reduce the investment tax credit from $1000 to $675, reduce maximum first-year depreciation from $4,000 to $3,600, and reduce the ceiling on subsequent-year depreciation from $6,000 to $5,400. In effect, the depreciation threshold for a luxury car would be $14,400, rather than $16,000—the total depreciation allowed over three years under current law.

The House bill would also require taxpayers to keep written evidence showing the business and personal use of their cars, a requirement that is more stringent than the pre-1984 rules but not nearly as burdensome as the new rules. Adequate written records to substantiate business use could include account books, diaries, logs, receipts, trip sheets or expense reports.

In addition, taxpayers claiming tax benefits for use of a car would be required to state on their returns: 1) total miles driven during the year; 2) percentage of personal use claimed; 3) whether the vehicle was used for commuting; 4) whether it was available for personal use in off-duty hours; 5) whether another vehicle was available for personal use; and 6) existing written evidence to justify deductions.

The Senate made almost no attempt to "pay for" repeal. Its bill does not include the depreciation limits adopted by the House, nor does it require that taxpayers keep written evidence to corroborate a taxpayer's business use claim.

However, the Senate bill would consider autos to be "listed property," meaning that expenses would be treated in the same manner as traveling expenses incurred away from home, a tougher standard than pre-1984 rules.

The Senate also passed language easing rules valuing personal flights on employer-provided aircraft.

Congress considers youth opportunity wage

Congress will once again consider the Reagan administration's proposal to create a summer youth opportunity wage. The two bills, similar to those introduced in the 98th Congress, would institute a wage of $2.50 an hour from May through September for youths between the ages of 16 and 19.

H.R. 1811 by Representative Trent Lott (R-MS) and S. 797 by Senator Orrin Hatch (R-UT) were introduced on March 28. If enacted, their legislation would institute the youth wage for a three-year trial period. The trial period would allow Congress to judge the effectiveness of the youth wage in reducing teenage unemployment without committing the nation to a permanent youth wage scale.

Rep. Trent Lott

Sen. Orrin Hatch

Opponents of this proposal charge that a lower youth wage will give employers an incentive to fire or avoid hiring adults. Proponents point to employer sanctions against this kind of activity. The Hatch-Lott bill includes substantial penalties against employers who lay off full-time youth or adult workers in order to hire youth eligible for the wage—up to $10,000 in fines and six months in jail.

It is likely that Senate hearings on this proposal will be held in the near future since Hatch is chairman of the Senate Labor and Human Resources Committee. A hearing on the House side is less likely because Gus Hawkins (D-CA), chairman of the House Education and Labor Committee, has repeatedly voiced his opposition to a youth opportunity wage.

WE'RE COUNTING ON *YOUR OPINION*

NRA's monthly membership poll tracks your views on important national issues affecting the foodservice industry.

Your reponses to these questions will help NRA represent the industry in Washington.

Question 1: Plant closing notification?

Plant closings and permanent worker layoffs have been a cause for concern for many years. Labor groups point to the economic upheaval and worker dislocation that is often caused by closing a plant without warning. Between 1979 and 1984, 11.5 million workers were displaced due to plant closings.

Legislation to require employers to notify and consult with employees before closing a plant has been introduced in the past seven Congresses. A bill recently introduced by Rep. William Ford (D-MI) would require a 90-day notice for any plant closing that results in the permanent layoff of 50 or more employees. This includes restaurants. Employers would have to consult with existing unions on potential layoffs and possible alternatives and would be encouraged to provide information to employees in a non-union shop.

At least 10 states have plant-closing laws of one form or another. For example, Maine requires employers to provide severance pay at the rate of one week for each year of service; there is a $500 fine for non-compliance. Some states require job counseling and/or continuation of health insurance benefits.

➡ **PROS**—Steps must be taken to alleviate the economic and social upheaval of plant closings and layoffs. Providing advance notice of a plant closing could lessen the shock for the affected employees and offer them the opportunity to prepare for new jobs. Requiring employers to consult with their employees could bring to the surface alternatives to closing the plant, thereby avoiding dislocation.

➡ **CONS**—Requiring employers to consult with employees before closing a plant hampers the employer's right to control basic management decisions. Such a law would impede management's ability to make quick, flexible decisions on business operations. Also, the publicity surrounding a possible plant closing may, in itself, cause the plant to go under. Any hint of a possible closing could result in banks refusing new loans that could save the plant.

Should employers be required to give employees advance notice of plant closings?

Question 2: Meat inspection fees?

The Reagan administration has proposed industry "user" fees to pay for USDA inspection of meat and poultry. There is currently no charge for the inspection during regular business hours. The inspection, which is required by federal law, is conducted by USDA's Food Safety and Inspection Service and costs about $350 million a year.

Under the Reagan proposal, USDA would phase in charges for these services over a period of three years. In 1986, fees would fund about one-third of the cost of inspection; the percent would increase in subsequent years.

The administration's proposed user fees are part of an attempt to wean the agriculture sector from government subsidies. However, processors say they cannot afford to absorb the cost of inspection and maintain that the fees will be passed on to consumers in the form of higher meat prices. Congress has looked at inspection fees in the past but hasn't been inclined to enact them.

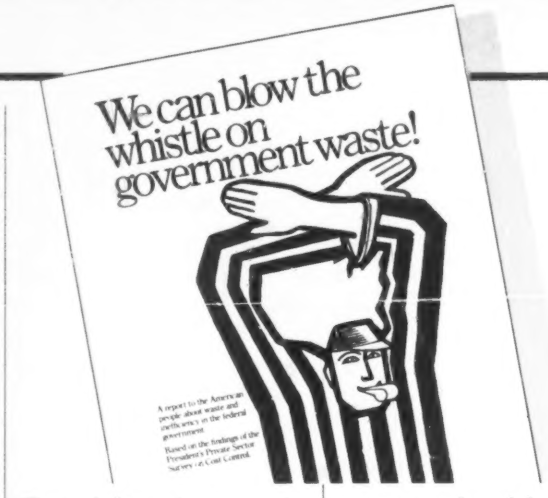
➡ **Pros**—Those that benefit from special government services should pay for them. Taxpayers shouldn't have to foot the bill for services used by a small segment of the population or by private industry. Many agriculture services are already provided on a fee basis, and there is no reason to continue to provide inspection services to the meat industry at the public's expense.

➡ **Cons**—Inspection is not a service for which user fees are appropriate. USDA inspection is required by federal law to protect the public; it is not a private benefit to the meat industry. Americans rely on USDA inspectors to ensure the wholesomeness and purity of their meat. To maintain public confidence in the independence and integrity of meat inspection, inspectors should be paid by the government and not by those whose product they are inspecting. These proposed fees single out meat products with a cost not borne by other food products. It amounts to a tax on meat.

Should the meat processing industry be required to pay for USDA inspection?

Please respond to the above questions, using the attached postage-paid card.

Government waste report is available from NRA


We can blow the whistle on government waste!
A report to the American people about waste and inefficiency in the federal government.
Based on the findings of the President's Private Sector Survey on Cost Control.

As part of its effort to help the administration combat waste in government, NRA will send the report "We Can Blow the Whistle on Government Waste!" to any NRA member who requests it.

Published by the Foundation for the President's Private Sector Survey on Cost Control, Inc., the report describes waste and inefficiency in the federal government and explains how private citizens can help eliminate it. NRA will provide a copy to members at no cost. Contact the NRA Government Affairs Department, (800) 424-5156. *(Limit: one per member.)*

The President's Private Sector Survey on Cost Control, chaired by J. Peter Grace, produced 2,478 ideas to reduce waste, inefficiency and overspending. Its recommendations are now being pursued by officials within the White House.

NRA has been studying the recommendations, especially three which may have some effect on the foodservice industry. These include proposals to:

- open to competitive bidding foodservice contracts administered by the Government Services Administration (GSA). Contract food operations in government-owned buildings had gross sales of $65 million in FY 1983.
- substitute commercial products for federal specification products. Traditionally, the government has used lengthy, detailed specifications to purchase food products, even though similar commercial products are less expensive.
- establish a uniform federal feeding policy, including systems for reporting and accountability. Federal feeding programs are both complex and diverse, yet no federal agency maintains comprehensive information on their total scope and cost.

The NRA's Efficiency in Government Study Group is examining ways to help implement these recommendations.

—Jay Morris
Michelle Rabayda

FDA moves toward sulfite ban

The Food and Drug Administration (FDA), after being severely criticized by a House oversight panel for not acting quickly enough against sulfiting agents, is now reportedly moving toward a ban on the use of the additives on fresh produce and potatoes.

A ban on salad ingredients would be in keeping with an earlier NRA recommendation for a limited ban on fresh fruits and vegetables and pre-cut potatoes.

NRA first proposed a limited ban in November to protect restaurants and their patrons sensitive to sulfites. NRA has argued on numerous occasions that the alternative—labeling—would not adequately ensure the safety of individuals who may not be aware of their sulfite sensitivity.

The ban being considered by FDA would be nearly identical to a bill sponsored by Senator Al Gore (D-TN) and Representative Ron Wyden (D-OR) that makes it illegal to apply sulfites to fresh produce and potatoes. Gore and Wyden said they introduced their bill because FDA had failed to take action on sulfites. (See the April ***NRA NEWS*** for details.)

A ban would be a shift in FDA policy, which has been to encourage the states to enact labeling requirements at the retail level. But an FDA ban may take awhile. It most likely would have to be approved by the Department of Health and Human Services (HHS) and the Office of Management and Budget (OMB).

Labeling for processed foods . . .

The administration has also given final approval to stricter labeling requirements for processed foods containing sulfites. The proposed rules were published in the April 3 *Federal Register* and will become effective six months after publication of final rulemaking.

The proposed rules for processed foods require that sulfiting agents present in "significant" amounts be declared on the package label. Significant is defined as a detectable amount of 10 parts per million or more.

A similar proposal to label sulfites in drugs is still being delayed. HHS has not yet signed off on it.

Results of March opinion poll

In the March Opinion Poll, *NRA NEWS* asked, "Should the SBA's loan programs be terminated and its other programs merged into the Commerce Department?" and "Should the concept of comparable worth be adopted as law?"

Sixty-five percent of the respondents believe that SBA's loan programs should be discontinued. Thirty-one percent think that SBA should be maintained, while four percent expressed no opinion.

More than three-quarters (78 percent) of the respondents are against adopting comparable worth as law, while only 20 percent want comparable worth to be adopted. Two percent expressed no opinion.

Sixty-nine percent of the March respondents said they operate a tableservice establishment, 15 percent operate a fast food establishment, and nine percent operate a cafeteria.

Based on the information provided, the March sample represents 14,385 units employing 276,931 people.

OPERATION PROM GRADUATION Gets Underway

THE CLASS OF
85

Operators care about the teenagers in their communities and are doing their part to keep them from drinking and driving during prom and graduation season.

by Anne Papa

Seniors at Batesville High School in Batesville, IN, will be spending less money this year on their prom and graduation festivities. At the local florist, they'll receive a 20 percent discount on all corsages and boutonnieres purchased for the prom. At a formal wear rental shop, they'll also be paying 20 percent less. And at the Sherman House Restaurant, a fine dining establishment perfectly suited for special occasions, students will get a 20 percent discount on all meals, plus a complimentary non-alcoholic drink.

In exchange for these discounts, seniors at Batesville High will pledge not to drink and drive during the prom/graduation season. They will also refrain from riding with friends who have been drinking.

Batesville is one of many cities across the nation where business owners have joined together to participate in Operation: Prom Graduation, a public service campaign aimed at reducing the number of alcohol-related traffic accidents among teenagers during the prom/graduation season. Restaurateurs, florists, formalwear and limousine rental companies, soft drink suppliers and broadcasters are all working together to communicate to the graduating class of 1985 that drinking and driving do not mix.

"Teenagers need someone besides their parents to impress upon them the dangers of drinking and driving," says George Brinkmoeller, owner of the Sherman House Restaurant. "Operation: Prom Graduation is one way for businesses in the community to help get the message across."

How the campaign works . . .

Operation: Prom Graduation was introduced to NRA members this past March by NRA President Harris Machus. It's being sponsored in cooperation with the National Association of Broadcasters, the American Floral Marketing Council, the National Automobile Dealers Association and the National Soft Drink Association.

The program is designed as follows: At the instigation of the National Association of Broadcasters, local TV broadcasters organize concerned business people in a town or city to meet to form a campaign task force. (In some areas in which TV broadcasters have failed to organize this task force, restaurateurs have taken the lead.) Together they determine which area schools to target, how much of a discount to offer and how to promote the program. They also design a pledge card, which is distributed to high school seniors through the schools or at the participating business locations. Although the wording on the card may vary from place to place, the premise is always the same: Students who sign the card pledge that, during the prom/graduation season, they will neither drive while under the influence of alcohol nor ride with a friend who has been drinking. The signed card is then honored with a discount at participating businesses during the prom/graduation season.

"It's a great way to reach kids—through their wallets," maintains Joni Erickson, director of public relations and sales for Michael's Restaurant in La Crosse, WI. Michael's has joined with a florist, a soft drink bottling company and a popular radio station to implement the program in La Crosse. "Especially on prom night, kids are usually inclined to go way over their budget for dinner, flowers, the works," Erickson says. "They'll see these discounts being offered and say, 'Hey, that's worth it.' Suddenly, having a few drinks will seem less important to them."

Why participate? . . .

According to Erickson, Michael's Restaurant decided to participate in Operation: Prom Graduation out of concern for the dual problem of teens as underage drinkers and as drunk drivers. These concerns are shared by restaurateurs across the country.

Will Thomas, owner of Salida Inn in Salida, CO, was inspired to join in the campaign by a plaque which hangs in the front lobby of nearby Salida High School. "Engraved in that plaque are the names of more than a dozen students who have died during or just after graduation," he explains. "Most were alcohol-related fatalities. I knew half of them. Some of them even worked for me." Thomas plans to use a photograph of himself, the school's principal and other participating business owners standing around the plaque as promotional material for the campaign.

As a mother of high school students, involvement in the campaign was a natural for Ruth Rhoades of Chuck Muer's River Crab Restaurant, St. Clair, MI. "One of my children is just turning 17," says Rhoades. "This promotion enables me to watch over other parents' children, just as I'd hope they'd watch over mine." Says George Brinkmoeller of the Sherman House Restaurant, "Parents appreciate knowing their kids are in good hands. A promotion like this will earn their gratitude, and possibly, their patronage."

Indeed, participation in Operation: Prom Graduation not only demonstrates a sense of social responsibility, but it also makes good business sense. Neil Berman, president of Le Bistro Inc., which operates 15 Le Bistro Cafes throughout the Midwest, regards Operation: Prom Graduation as an excellent public relations vehicle. "This campaign gives us an excuse to contact the high schools," he explains. "To attract prom and graduation business, it helps tremendously to get name recognition just before the season begins. Through this promotion we'll be sending letters to all high schools in our marketing area, followed by phone calls. Teachers, parents and students will all be hearing about us." Berman also notes that, although a number of high-traffic holidays fall in April and May, special occasions in the month of June are comparatively few. "We needed a promotional idea for June, and Operation: Prom Graduation fits the bill," he says.

"It's a great way to reach kids."

Joni Erickson agrees that the added publicity potential for Michael's Restaurant also convinced her to participate. She has sent out press releases to all high schools, radio stations and televison stations in the area. She's been interviewed by a local paper for a feature article on the campaign. And posters, table tents and stickers with the "Class of 85—Alive" logo, as well as the names of all participating businesses, are displayed prominently throughout the restaurant and at area schools.

Campaign is designed to be flexible . . .

Just as each restaurateur has specific reasons for participating in Operation: Prom Graduation, so does each have specific ideas on how the campaign should be conducted. From variations on discount amounts to special promotions centering on the prom/graduation theme, Operation: Prom Graduation is designed to meet diverse needs.

"Parents appreciate knowing their kids are in good hands."

George Brinkmoeller of the Sherman House Restaurant says the 20 percent discount he'll be offering was agreed upon by all members of his campaign task force. Joni Erickson says cardholders at Michael's Restaurant will receive one dollar off each meal ordered—again, a decision made by the La Crosse task force. Additionally, diners at Michael's will be served soft drinks free of charge, donated by the participating soft drink bottling company. Larry Richardson, owner of Richardson's Catering in Anderson, SC, plans to combine the discount he'll be offering in his restaurant with a discount for customers who buy their prom outfits at the formal wear shop next door, which he also owns. Students with pledge cards who buy their gowns or tuxedos at his store will be entitled to a reduced price on a steak dinner for two.

Many operators have taken the campaign a step further by sponsoring promotions which build on the Operation: Prom Graduation theme. The Sherman House Restaurant is hosting a complimentary "mocktail" party for the Class of 1985 during graduation week. At the State Line Truck Stop in New Paris, OH, owner Stan Van Ausdal is planning a special party called the "After Prom," to be held in the wee hours of the morning after prom night. "Kids look forward to taking off their formal clothes, putting on their jeans and just relaxing," he says. "We'll promote our After Prom party with a special breakfast, offering a 20 percent discount to kids with pledge cards." And in Somerville, MA, the foodservice branch of the Somerville school system is considering catering the Senior Class Day picnic free of charge if enough students sign pledge cards. Henry Biagi, foodservice director, says the school system hopes this will be an incentive for students to participate in the program.

Ruth Rhoades of Chuck Muer's River Crab is sponsoring a non-alcoholic drink mixing contest in area high schools to promote the River Crab's participation in the campaign. Preliminary "Mix Offs" will be held at each of seven local high schools, with school administrators, teachers and River Crab employees acting as judges. The seven semifinalists—one from each school—will then compete in the grand prize "Mix Off," to be held at the River Crab a week or two before prom/graduation season begins. All preliminary and grand prize winners will receive cash awards, and their winning concoctions will be featured on a special menu being compiled for the summer season. Says Rhoades, "The contests call for student participation, which is an excellent way to kick off our campaign."

"Because," she adds, "when all is said and done, it is students' involvement in Operation: Prom Graduation that will make it a success. We're doing this because we care about them." ❑

American cooking is here to stay. The United States victories at the Culinary Olympics last fall proved to the world that American cooking is a serious cuisine.

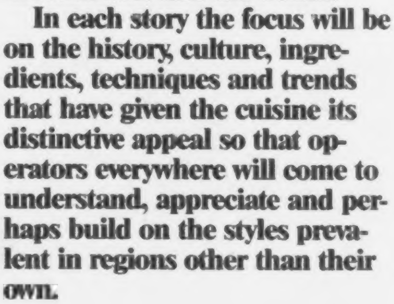
In fact, it has been distinctive for some time. The large body of recipes and historical data available to operators documents the fact that America's culinary tradition has long been in the making.

"Folklore and techniques brought by successive generations of immigrants have built like a stack of pancakes, one atop the other, resulting in a culinary heritage sometimes elegant, sometimes down-home and practical," points out The Culinary Institute of America's *The American Bounty Sampler.*

"Now, as we look more closely at what's beneath that stack, we can see that colonists, Indians and immigrants from all over the world each contributed their own special flavor to the melting pot, helping to develop a national cuisine composed from hundreds of diverse elements."

In the five-part series of articles that begins here, the *NRA NEWS* will look more closely at this heritage by exploring the characteristic styles of cooking in five regions of the country: the Southwest, New England, California and the West Coast, the Midwest and the South.

In each story the focus will be on the history, culture, ingredients, techniques and trends that have given the cuisine its distinctive appeal so that operators everywhere will come to understand, appreciate and perhaps build on the styles prevalent in regions other than their own.



First of a five-part series

Tastes of the SOUTHWEST

A variety of cooking styles have evolved from the Southwest's indigenous flavors and cultural and geographic traditions. Some of the major elements that characterize the Southwestern cuisine of today include Tex-Mex, barbecue, chili and the New Southwestern cuisine.

by Cecelia Niepold

Aztec traditions, chuckwagon innovations and pungent chile peppers are just a few of the ingredients that make up the melting pot of Southwestern cuisine. A rich cultural history, along with a bounty of indigenous spices and natural resources, has produced a variety of cooking styles and flavors that are distinctly Southwestern.

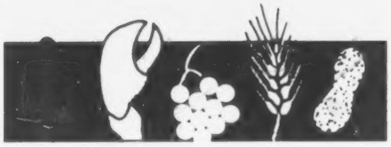
The cultural background of the area is itself a colorful mosaic. Aztecs, conquistadors, Mexicans, American Indians and cattle ranchers have all left their mark on the region's cuisine as have the neighboring Cajun and Southern traditions. For instance, corn tortillas harken back 2,000 years to the Aztecs while wheat, rice, onions, beef and dairy products were introduced by the Spanish in the 1500s.

Indigenous spices and food products form the backbone of the region's cuisine although usage of these ingredients varies according to local traditions. For example, rainbow colors of chile peppers spice up dishes throughout the Southwest. In New Mexico, however, dishes are characterized by green chiles while Texas is known for its fiery red chiles. Along the same lines, the familiar tortilla is often made with blue corn in Santa Fe while flour tortillas are specialties in Dallas.

Tex-Mex—a combination of cultures

Tex-Mex is probably the most well-known form of Southwestern cooking. It is exactly what its name implies—a combination of Mexican and American flavors. Much of the development of Tex-Mex occurred in Texas—hence the name.

Although Tex-Mex entrees are now served from Maine to Oregon, its roots are firmly entrenched in the Southwest. "The Mexican influence has been integrated into the Southwest more strongly than in any other part of the country because the ingredients are here, the taste buds are here and the expectations are here," explains Anne Gréer, a Texas restaurant consultant and the author of *Cuisine of the American Southwest.*



Not just tacos and beans . . .

Tex-Mex food is generally characterized by different kinds of tortillas stuffed with various ingredients, spicy chiles and piquant hot sauces. Many dishes, however, take advantage of the abundance of local fruit and vegetables. For instance, grilled vegetables, such as summer and winter squash, are common. Candied pumpkins, sweet potatoes, cacti and oranges are favorite sweets. Anne Greer points out that these "thick, soft morsels" are a pleasant way to neutralize palates after hot salsa.

Chorizo (sausage made with red chile, oregano, vinegar, garlic and sometimes cumin) and mesquite-grilled fish and beef are also part of Tex-Mex cooking.

A natural evolution . . .

The evolution of Tex-Mex has been a natural progression. Southwestern residents, influenced by the traditions and tastes of nearby Mexico, simply adapted Mexican recipes to suit their own palates.

Tex-Mex varies from Mexican cooking in several ways. The flavor is altered by the use of American ingredients, which are substituted for those native to Mexico. Also, Tex-Mex entrees are often less spicy than traditional Mexican foods and generally have a lighter, fresher taste.

Irene Garcia, chairman of the board emeritus of El Fenix, one of the oldest Mexican restaurant chains in the country, describes one way her father Americanized a Mexican dish when he opened his first restaurant in Dallas 67 years ago: "In Mexico, enchiladas have tomato sauce on them. We took the Mexican enchilada and put Texas chili on it, and that made it Tex-Mex." Although entrees may be milder than traditional Mexican dishes, Tex-Mex is still known for its fiery flavors.

Special techniques add spice . . .

A variety of techniques and traditions give Tex-Mex entrees that special spicy blend.

Regional cooks are proud of the way they carefully blend chiles and spices to create the built-in heat. "Controlling the intensity of the peppers is very important—it's a lot of trial and error," maintains Dean Fearing, chef at The Verandah Club in Dallas. One tip offered by Mary Nell Reck, chef/partner at the Truffles Restaurant in Houston, is to watch the size of the peppers. "When substituting peppers, generally, the larger the chile, the milder the flavor."

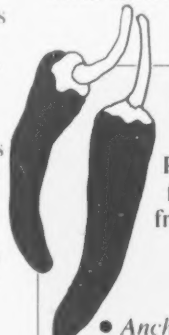
Working with peppers is an art. Stephan Pyles, owner/chef of The Routh Street Cafe in Dallas, suggests rubbing oil on your hands before cutting peppers to prevent the heat from burning your skin.

Even making basic tortillas and guacamole involves specialized techniques. According to Reck, corn tortillas should be made from masa harina—a flour made of parched corn that has been treated with lime and finely ground. Ordinary cornmeal will not do the tortillas should then be cooked on an iron grid or skillet (they often stick to aluminum). The temperature level is also important. "A tortilla that's cooked too slowly can be dry and tough," she says.

For guacamole, mashing the avocados with a traditional molcajete—a small three-legged mortar with a pestle made out of lava rock—creates the proper texture. "The molcajete makes the guacamole half puree and half chunky. If you make it in a blender it is too smooth," she says. She also advises using crushed serrano chiles to maintain the guacamole's green color. "Lime juice, which many people use, actually leeches the color," she warns.

Home on the range

Cooking techniques, developed out of necessity on the range by Mexican vaqueros and American cowhands, have become savory signatures of today's Southwest.



Chiles and spices

Pungent chiles and spices create the zesty flavors in Southwestern food. The following are some of the herbs and chiles that frequently spice up regional dishes.

Chiles

- *Ancho* (ahn-cho), dried poblano chile, the "chile con carne" chile used in many commercial chile powders, gives a rich, mahogany color to a sauce.
- *Cas cabel* (kahs-kah-vel), dried, red, moderately hot chile.
- *Chile pequin* (peh-keen), very small and very potent dried red chiles.
- *Jalapeno* (ha-la-pain-yoh), shiny, fat, small, dark green chile about 2 ½ inches by 1 inch—hot.
- *Poblano* (po-bla-no), large, dark green chile with a mild to medium hot flavor.
- *Serrano* (seh-rahn-o), smallest green chile, very hot.

Spices

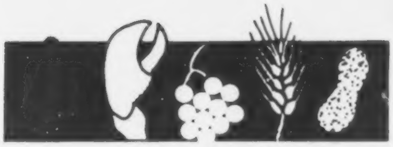
- *Anchiote* (ah-chee-oh-teh), deep orange seeds prized for the yellow color they impart to foods, also available in paste.
- *Anise* (an-es), licorice-scented seeds or oil used for pastries or syrups.
- *Azafran* (ah-sah-frahn), saffron.
- *Canela* (kah-neh-lah), cinnamon bark used in meat fillings, sauces and desserts.
- *Cilantro* (see-lan-tro), fresh coriander, sometimes called Chinese parsley. Taste complements and tempers hot chiles.
- *Cumin* (ku-men), aromatic seeds are ground and used extensively in soups, sauces and meat dishes.
- *Epazote* (en-pah-soh-teh), Mexican herb often used in beans because it reduces bloating.
- *Manzanilla* (mahn-sahn-nee-ya), dried flowers used to make a flavorful tea.

Source: *Cuisine of the Southwest*

Barbecue . . .

Although food is barbecued across the country, the barbecue of the Southwest is something special. Born out on the trail, barbecue has become a mainstay of the region's diet. Chuck wagon cooks originated the basic procedures. They smoked low quality meat for hours to make it more tender and added spicy sauces for flavor.

Today's barbecue has become somewhat more sophisticated, but the mouth-watering open-fire flavors remain a trademark. Barbecued beef brisket and sausage are top favorites in the Southwest. "Brisket lends itself well to long cooking and basting," explains Mary Faulk Koock, former owner of Green Pastures in Austin and the author of *The Texas Cookbook*. Ribs, chicken, smoked ham and turkey are also popular.



Pairing wine with Southwestern cooking

Wine has been a part of Southwestern cuisine since Spanish priests began cultivating grapes in Texas during the 18th century. Today, Southwestern restaurateurs, particularly those experimenting with the new Southwestern cuisine, are putting increased emphasis on creatively blending wines with the area's spicy flavors.

In response to this trend, Berringer Vineyards of California recently held a wine pairing competition in Dallas for sous chefs. One major point became evident. Marrying wines with the piquant tastes of the Southwest requires careful thought.

Tor Kenward, vice president of winery communications, offers a few guidelines for successful harmonies.

- **Avoid using an extremely refined wine with very spicy foods because the dish will dominate. Try a simple generic white wine or a good crisp California Chablis.**
- **A really, really hot dish might be best combined with a simple Sangria to cool down the taste buds.**
- **A Chardonnay with corn dishes can be a flavorful combination.**
- **Soups made with chiles and peppers work nicely with a Savignon Blanc.**
- **Mesquite-grilled fish needs a wine with a certain amount of flavor, such as a fuller bodied Chardonnay or Savignon Blanc because the wood adds a distinctive taste.**

Cooking procedures give the Southwest barbecue its distinctive flavor. Ed Dozier, owner of Dozier's General Store and Barbecue in Fulshear, TX, seasons his briskets with red and black pepper, salt and paprika before cooking them six to nine hours. While they are cooking, he mops them with a white vinegar and oil mixture. "The oil has a tendency to make the vinegar stick to the meat, while the vinegar gives it flavor and also helps tenderize the meat as it's cooking," he explains.

Richard Jones, owner of Richard Jones Pit Barbecue in Austin, smokes his meat between 18 and 24 hours and has developed a rotisserie cooking pit that prevents drippings from splattering grease on the food. "Drippings that fall in the fire and burn give meat a bad, greasy taste," he maintains.

Barbecuers swear by the kind of wood they use. Richard Jones cooks over hickory and oak wood and says it is important to find wood that complements the meat. Ed Dozier smokes his barbecue over pecan wood. "It has a good clean smoke, doesn't leave a film on the meat and gives a good flavor," he explains.

The way barbecue sauce is used is also distinctive. "So many people throw meat in an oven, pour barbecue sauce on it and call it barbecue," explains Dozier. Texas cooks don't use barbecue sauce to baste meat, they offer it as an accompaniment. The reason? "Cooking with sauce can hide the flavor of the meat," says Jones.

Chili . . .

Chili con carne (beef with chiles), the favorite Southwestern dish, also originated on the open range. Mexican cowboys added chile peppers and spices to beef as it marinated, producing a basic dish with a definite spark.

Chili continues to be popular in the Southwest—Texans have even named it the state dish. Naturally, techniques and flavors vary across the region, but the basic aim is the same everywhere: Make it hot and hearty.

Most Texan chili is made with cubes of beef or coarsely ground meat. "Bigger chunks of meat give more body to the chili," explains Tom Nall, vice president of sales for Two Alarm Chili in Austin.

Seasoning is also important. As Nall explains, "It's the quality of spices and their blend that makes chili special. You can't have good chili without good chile pepper." Some of the ingredients in Texas chili are ground ancho or dried poblano chile peppers (which give a rich mahogany color to the sauce), ground cumin and garlic, cayenne (a very hot chile pepper), paprika and onion.

The chili served in New Mexico is milder than the fiery red dish that Texans love partly because it is made with the green chiles that grow abundently in the area. Green chiles are a little milder than red chiles. Another difference is the kind of meat used. "Our chili is characterized more by pork than beef because we're high in the mountains and don't have many cows," explains Kate Tremper, owner of Massee's in Santa Fe.

Fajitas . . .

Perhaps the latest comer from the ranch cooking tradition is the fajita. It is a sizzling dish generally made with thinly sliced skirt steak wrapped in a flour tortilla. Although it is being touted as something new, it has been part of the Southwestern tradition of outdoor cooking for a long time. Ranch hands, to utilize every piece of meat, tenderized the low quality skirt steak with lime juice before grilling.

Today, restaurateurs are using a variety of marinades and presentations to add pizazz to the entree. For example, Paul Heyd, owner of On the Border in Austin, serves fajitas in sizzling molcajetes. The plate is filled with lettuce, guacamole, pico de gallo (relish made out of tomatoes, onions and cilantro) and sour cream. Customers can "build their own" fajitas with the various ingredients. "It's like a buffet you can sit down at," notes Heyd. Although generally made with skirt steak, Heyd also offers chicken, pork and shrimp fajitas.

Restaurateurs are also serving fajitas by the pound so people can share the dish.

The New Southwestern Cuisine

With so many traditions in close proximity, it is no wonder that a new cuisine is emerging in the Southwest. Local chefs call it the New Southwestern cuisine.

"It's been a natural evolution," explains Anne Greer. "As Americans across the country became more interested in their roots, chefs started to look at the traditional foods in their area." "It's a real renaissance period. There's such a heritage here, and people are proud of the local products," maintains Stephan Pyles.

New flavor combinations . . .

The New Southwestern cuisine has a distinct personality. Anne Greer describes it as "harmonious, intense flavors and clean, straightforward tastes."

Producing these flavors is the result of combining local products in nontraditional ways. "We're using ingredients that you see in Tex-Mex restaurants, but ours are done in a more sophisticated manner," says Pyles. "For example, we make a game tamale with antelope or venison, red wine, ancho chiles and corn."

Exotic Mexican fruits and vegetables add color and flavor to the new Southwestern cuisine dishes. For instance, Pyles uses sapote (a fruit with the texture of cooked sweet potatoes that tastes a little like pumpkin) in a sapote pecan pie with whiskey butter. Dean Fearing makes a vinaigrette by straining the juice of a cactus pear. "It's bright purple and adds gorgeous color to a dish," he says. Sam Avner, chef at The Mansion on Turtle Creek in Dallas, uses the cactus fruit to make a delicious sherbet.

Chefs are also experimenting with cross-cultural dishes. Fearing, for example, has created a variety of pasta dishes with chiles.

Other examples of foods that are becoming trademarks of the New Southwestern style include

- combinations of herb and vegetable relishes, such as tomatillo (little green tomatoes) salsa, pickled poblano peppers, apple and green chile preserves, cilantro pesta and even black bean relishes
- butter sauces made with epazote (Mexican herb) and cilantro (fresh coriander) and
- smoked or grilled game, such as wild boar, black buck antelope and Texas bobwhite quail.

Meticulous techniques . . .

Meticulous preparation and classical cooking techniques, primarily from the French tradition, are integral parts of the New Southwestern cuisine. "It's more than just using natural ingredients. It's taking those styles, like smoking or grilling, and refining them to present each individual ingredient in the freshest, most tasty way," maintains Greer.

A major characteristic of this cuisine is the careful blending of herbs and spices. Chefs concentrate on harmonizing a few select flavors, rather than combining a host of tastes. Patrick Columbo, the food and beverage manager at The Mansion on Turtle Creek, originally served dishes with a lot of mixed herbs but found that the flavors combated each other. "Now we spend more time and emphasis on the flavor of one herb to make that taste stand out," he explains. Columbo also focuses on combining herbs to produce contrast. For instance, his ancho ice cream combines the sweetness of ice cream with the tartness of the ancho chili.

Smoking and grilling are also emphasized heavily in the New Southwestern cuisine. Again, technique is important. Lawton Haygood, owner of Turtle Cove in Dallas, developed his own grill to evenly cook meats without searing them. "Scorched fish can be very bitter," he warns.

Different varieties of wood are used to flavor different kinds of food. For instance, Haygood suggests using hickory wood with fattier dishes, such as pork and lamb, because it lends a sweeter taste. "Mesquite is more pungent and goes better with seafood and chicken," he says. Sam Avner at The Mansion on Turtle Creek uses a wide variety of woods to add special flavors. Salmon is grilled over rosewood, and bacon is smoked over apple wood.

Grilling can also be used to add depth of flavor to ingredients. Stephan Pyles smokes tomatoes before using them in a tomato salsa. ❑

Glossary of Southwestern dishes

Here are a few definitions of some favorite Southwestern dishes:

- **Bunuelo** (boon-yuel-oh), fried round pastries.
- **Burrito** (boo-ree-toh), soft, 14–18-inch flour tortilla rolled and filled with meats, beans and other favorites.
- **Chalupa** (cha-lu-pah), a round corn tortilla, fried crisp. In Mexico, the edges were curled up (hence the name "little boat").
- **Chili con Queso** (con-keh-so), classic Southwestern combination of cheese, chiles, onions and sometimes tomatoes or red chile.
- **Chili Rellenos** (reh-yeh-nos), poblano chiles stuffed with meat, cheese or other fillings, deep fried in egg batter and served with tomato sauce.
- **Chimichango** (chee-mee-chan-goh), large flour tortillos folded "burrito style" and deep fried. Topped with cheese, guacamole or sauces.
- **Enchilada** (en-chee-lah-tah), rolled or stacked corn tortilla, with cheese, onion, beef or chicken or chili con carne.
- **Fajita** (fah-hee-tos), grilled or broiled skirt steak rolled in a flour tortilla. Variations include pork, shrimp and chicken.
- **Flan** (flahn), light custard dessert with a caramel syrup.
- **Flauta** (fl-ow-ta), means "flute" and refers to the shape of a crisp, rolled corn tortilla filled with chicken or other meats.
- **Frijoles Refritos** (reh-free-tohs), well fried beans.
- **Picadillo** (pee-kah-dee-yoh), ground or shredded meat used for fillings and stuffings.
- **Salsa** (sal-sah), hot sauce often made with chopped onions, jalapeno chiles and cilantro.
- **Sopaipilla** (soh-pa-pee-yah), puffed, fried bread. Often stuffed with fillings and served with melted cheese or sauce. Some are sweet.
- **Tamale** (tah-mah-leh), fresh cornmeal filled with beef or other sweet or savory fillings and steamed.
- **Tostada** (tohs-tah-tho), flat, fried tortillas with meats, lettuce, tomatoes and beans piled on top with different garnishes.

Winners in the 1985

Simplicity, clean graphics and appealing color combinations made El Torito Restaurants' (Irvine, CA) menu the grand prize winner in NRA's 22nd Annual Great Menu Contest.

These characteristics are immediately evident on the menu's cover. A long white panel, bordered by tan and purple, is interrupted only by the restaurant's name and three geometric shapes. Inside each shape are drawings that depict exotic Mexican scenes: Inside a triangle is an ancient church in Guadalajara, inside a square is a tropical beach scene in La Paz, and inside a circle is a cliff diver in Acapulco. The six contest judges agreed that the colorful, contained drawings surrounded by vast white space created an effect that was vivid, yet clean and uncluttered.

The drawings within geometric shapes are continued on the menu's inside panels as is the use of space. The menu items are categorized under bold, legible heads; the prices are clearly visible and the descriptions are straightforward, yet tempting. The effect is one of clean sophistication that is equally as pleasing to the eye as it is tempting to the palate.

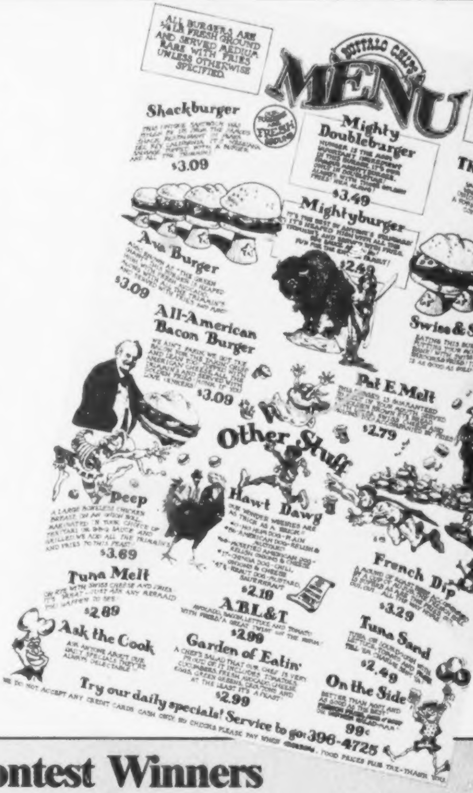
There are special touches as well to make patrons comfortable—from the children's menu to burgers for more American tastes. Combination platters are also available as are "Mexican favorites" and a la carte items. There is also a brief statement on one panel which welcomes diners to "the authenticity of food and gracious service that is characteristic of Mexico . . . Welcome and Buen Provecho!" On the back panel a list of Mexican foods with their pronunciations and brief descriptions are provided for the uninitiated diner.

Overall, El Torito's menu exemplifies the basic qualities the judges were looking for: It shows imagination, good design and effective merchandising power.

Menu creates fun image . . .

In contrast, almost every inch of space is used on the menu entered by Buffalo Chips (Oar House: Grand American Fare, Santa Monica, CA), chosen as second grand prize winner. What the menu lacks in simplicity, however, it makes up for in liveliness and fun.

Buffalo Chips' menu is printed in one color on a tan, over-sized foldout sheet. On the outer flap is a photograph of a beach scene circa 1920s. Inside, the 11 by 17 inch menu is literally covered with spirited descriptions of the restaurant's offerings, which consist mainly of sandwiches. The selections range from hamburgers of all kinds to hot dogs and tuna sandwiches. They all have one thing in common—they sound as though they can satisfy the largest appetite. For instance, the "Thunder Humper" (chili burger) is described as being "smothered with mouth watering chili, cheese, onions and served with fries. A fork may come in handy to conquer this giant!" And about the "Hawt Dawg" choices, "Our wonder weenies are thick as a brick!" The judges agreed that these descriptions gave the impression of value for the money—especially since sandwiches range between $2.19 and $3.69, while soup or salad with french fries costs less than a dollar.


ALL BURGERS ARE 1/4 LB FRESH GROUND AND SERVED MEDIUM RARE WITH FRIES UNLESS OTHERWISE SPECIFIED
BUFFALO CHIPS
MENU
Shackburger
FRESH
$3.09
Mighty Doublebarger
$3.49
Mightyburger
$2.49
Thund
$3.0
Ava Burger
$3.09
All-American Bacon Burger
$3.09
Swiss & Shro
$3.0
Pat E Melt
$2.79
Other Stuff
Peep
$3.69
Hawt Dawg
$2.19
Tuna Melt
$2.89
French Dip
$3.29
A.B.L&T
$2.99
Ask the Cook
Garden of Eatin'
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Tuna Sand
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Try our daily specials! Service to go: 396-4725

1985 Great Menu Contest Winners

Grand prize winners

First Place

El Torito Restaurants, Inc.
Irvine, CA

Second Place

Buffalo Chips/Oar House: Grand American Fare
Santa Monica, CA

Third Place

Max & Erma's Restaurants
Columbus, OH

Average check under $5 per person

First Place

Delta Food Service T/A La Prima
Alexandria, VA

Second Place

Sweet Shoppe
Laurens, SC

Third Place

Hale Koa Hotel
Honolulu, HI

Average check $5–$10 per person

First Place

Chancery Pub & Restaurant
Wauwatosa, WI

Second Place

Country Cupboard
Lewisburg, PA

Third Place

Carlos Murphy's
San Diego, CA

Average check over $10 per person

First Place

El Torito Restaurants, Inc.
Irvine, CA

Second Place

Winter Palace, The Sheraton Centre of Toronto (Dinner menu)
Toronto, Ontario, Canada

Third Place

Plata Grande Restaurant
Beltsville, MD

Banquet/catering

First Place

Kuala Lumpur Hilton
Banquet brochure

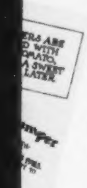
Second Place

Milwaukee Marriott
Brookfield, WI

Third Place

Park West Catering
Chicago, IL

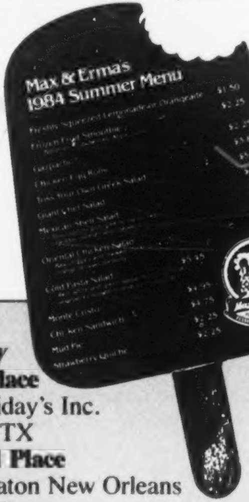
Great Menu Contest



The judges admired the hand-lettered typefaces used on the menu and the fanciful illustrations, saying the variations add to its festive image and call attention to each item.

And, finally, the menu won points because it is designed to be used as a mail-out. The back flap is labelled "Post Card" and has room for messages, an address and a stamp. "The menu immediately doubles its worth because it can be used both as an in-house and a direct mail marketing piece," commented Carl Jerome, one of the contest judges. "Combine this with the maximum use of space inside the menu and the result is a dynamite sales tool, produced at minimal cost."

The Original
ESTABLISHED 1954
EL TORITO
Guadalajara
La Paz
Acapulco



Summer menu suggests cool refreshment . . .

The third grand prize was awarded to Max & Erma's Restaurants of Columbus, OH, for its three-dimensional summer menu. The menu is actually a wooden, chocolate-covered vanilla bar, complete with a wooden stick and a bite taken out of the top.

"One look at this menu and you're craving something cool and refreshing," said contest judge Jeanette Riechers. Judge Ellen Brown agrees, "This menu gives new meaning to the term 'suggestive selling.'"

The menu lists "refreshing summer swizzlers" (drinks) on one side and Max & Erma's 1984 summer menu on the other. Item descriptions are kept brief because the item names alone are usually enough to evoke images of cool refreshment. For instance, the drink menu lists such specialties as "Seabreeze" and "California lemonade," while the summer menu lists mostly salads, with freshly squeezed lemonade or orangeade and a frozen "fruit smoothie" for non-drinkers. There are no ice cream selections on the menu.

Menu contest judges

The judges of the 22nd Annual Great Menu Contest were

- **Peter Berlinski,** executive editor, *Restaurant Business,* New York, NY
- **Ellen Brown,** food writer, Washington, DC
- **John Gruner,** president, Gruner Solutions, Richmond, VA
- **Carl Jerome,** freelance writer, *The Washington Post,* Washington, DC
- **Jack Miller,** chairman, Hospitality Restaurant Management and Tourism, St. Louis Community College at Forest Park, St. Louis, MO, and
- **Jeanette Riechers,** editor in chief, *Independent Restaurants,* Madison, WI.

In sum . . .

The 1985 grand prize winning menus use different styles to represent three very different establishments. But in spite of these differences, the award-winning menus are all creative and effective marketing tools. —*Anne Papa*

Specialty

First Place
T.G.I. Friday's Inc.
Addison, TX
Second Place
The Sheraton New Orleans Hotel & Towers
New Orleans, LA
Third Place
Holiday Inns Inc.
Memphis, TN

Institutional foodservice

First Place
Fairfax County Public Schools Foodservice
Springfield, VA
Second Place
Harper-Grace Hospital, Grace Division
Detroit, MI
Third Place
Air Canada/In-Flight Service Headquarters
Dorval, Quebec, Canada

Best design

First Place
Rusty Pelican
Irvine, CA
Second Place
Stouffer's Riverview Plaza Hotel
Mobile, AL
Third Place
Daisy Flour Mill Inc.
Rochester, NY

Merchandising power

First Place
Chancery Pub & Restaurant (Opening Day—Baseball)
Wauwatosa, WI
Second Place
Chancery Pub & Restaurant (Special edition menu)
Wauwatosa, WI
Third Place
Chancery Pub & Restaurant (Pub Burger Press)
Wauwatosa, WI

Most imaginative

First Place
Max & Erma's Restaurant
Columbus, OH
Second Place
Tokyo-Hilton International
Shinjuku-ku, Tokyo, Japan
Third Place
Peppermill Inn & Casino
Reno, NV

Part one of a three-part series

Planning a new restaurant from feasibility to menu concept in 7 days

As this article suggests, assessing the appropriateness of a restaurant's location and concept need not be a time-consuming process. But the seven-day formula outlined here is merely a rule of thumb. The actual length of time required to complete each task will vary from one location to the next, depending on the accessibility of resources, a restaurateur's time and experience and a number of other variables. Thus, while seven days may be all the time needed to plan one operation, it could take several times as long to complete the legwork for another establishment.

by Maurice P. Minno & Rohit Bhayana

Seven days may seem like a minimal amount of time to plan a restaurant. Yet once a specific site has been chosen for a restaurant, it generally takes foodservice consultants around seven days to conduct the preliminary field work for a restaurant feasibility project. At seven days end, they can determine whether the project is financially feasible and what general concepts will work.

Conducting your own feasibility study and developing the initial menu concept may take more (or less) than seven days, depending on your previous restaurant experience and familiarity with the location. Here are some ways you can proceed during those seven days. Since the tasks to be performed are interrelated, the order is flexible and may be juggled to fit the particular situation. The completion of appropriate tasks is important, not the sequence.

Day 1: organization and site acquaintance

On the first day, you want to

- plan for the week
- visit and study the proposed site and
- begin to visit competitive restaurants within the primary market area.

When planning the week, decide where you need to go and with whom you need to speak. County, city, local and private organizations offer invaluable information for the feasibility process. The accompanying side bar, "Restaurant Feasibility Study Resources," lists some of these organizations and the information available. The area's telephone directory also can be used to find addresses and telephone numbers for various organizations.

Then, plot the chosen sources onto an area map, charting a course that will be the least time-consuming. A good starting point is usually with the chamber of commerce, regional planning board and economic development authority.

Site and locational analysis . . .

Once you have planned the week's activities, visit the proposed site. Take a small hand-held tape recorder with you. It is ideal for recording your thoughts and ideas.

As you approach the site, observe how easy or how difficult it was to get there. Did traffic or road patterns make it hard to reach? If you walked, did you have to cross a major roadway to get to the proposed restaurant? Studies show that when office buildings, developments and parking areas are on one side of a major street and the restaurant is on the other side, patrons are less likely to cross the street, especially during an hour lunch break.

Once at the location, note its physical characteristics. Include the placement of trees, the land's general contours and appearance as well as the physical conditions of any existing structures. If the property is not developed, you will need to have a topographical survey to determine its suitability for construction.

Your next step should be to identify all that bounds the site, in the process defining your primary market area. Drive or walk in each direction from the site, noting roads, natural barriers, residential areas, commercial and industrial development, schools, churches (which may affect liquor licensing), possible competitive restaurants and shopping centers. How far you go depends on the particular location. If the site is in a downtown development, your primary market area may only be within a 10-minute walk. However, in a suburban location, the area may increase to a 10 to 15-minute driving radius from the proposed restaurant.

As you canvass the region, study the flow of traffic. When traveling at the speed limit on an adjacent road, does the site register as you pass by, or is it a blur? The more it is visible,

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Maurice P. Minno is a principal and Rohit Bhayana is an associate of MDR Associates and the Food Design Workshop in Fairfax, VA, a professional hospitality management consulting, menu development and kitchen and food design firm, which regularly assists restaurateurs.

the better the chances for "impulse buying"—the possibility that people will stop at the restaurant without having planned to beforehand.

Additional information about traffic plans and patterns and proposed developments can be collected at either the highway department or economic development authority. These organizations may also have vehicle traffic counts by the day, hour and season, which would allow you to estimate the number of people who pass by each day. An hourly count is helpful for estimating the potential number of guests for each meal period.

Competitive restaurants . . .

At this point, you should know where your patrons may come from and which restaurants may compete with your proposed establishment. Note other restaurants in the area, read dining guides and restaurant reviews and search the telephone directories for possible competitors.

Dine at as many competitive restaurants as is practical, concentrating on those that are popular and/or unique. These experiences will suggest what type of ambiance, food and service your potential patrons enjoy and may also inspire an attractive and potentially profitable concept. At each restaurant visited, you should record the following information:

- restaurant's name and address
- menu style
- entree price range
- hours of operation
- days open
- beverage service
- service style
- number of seats and
- special features, such as banquet rooms, lounge and entertainment.

The information collected may be formatted in a table. See the accompanying table for ideas.

At each restaurant visited, also note the food quality; service; and approximate age, income levels and ethnic backgrounds of patrons. Obtain a copy of each menu; the prices may be used as a guide when pricing your own menu. Also talk with the bartender while having a drink, with the server while dining or with local restaurant managers to learn their first-hand experiences in the local restaurant business.

Restaurant Feasibility Study Resources

Sources	***Available information***
1. Chamber of commerce, economic development authority or city planning office	• Population trends (historical and projected) • Age, occupation, income level, ethnic origin and marital status by census tract • Retail sales and food and beverage sales • Maps • Consumer shopping habits and patterns • Employment and unemployment statistics • Major employers and industries • Planned commercial, residential and industrial developments • Demographic and socio-economic trends • Area master plan
2. Housing and community development	• Residential occupancy and housing • Urban renewal projects • Property values
3. Building commission	• Building permits data • Planned construction developments
4. Zoning commission	• Planned uses for zoned areas • Building height, signage, parking and construction restrictions
5. Transportation department	• Road traffic patterns and counts • Proposed traffic developments • Types of public transportation and routes
6. Department of revenue	• Income and other related sales taxes • Real estate assessments
7. Convention and visitors bureau	• Number of visitors by month and spending habits/statistics • Conventions—size, type, frequency and duration • Recurring festivals and fairs
8. Utility companies	• Estimates of gas and/or electric expenses for the proposed restaurant
9. Local newspapers and magazines	• Restaurant critiques • Dining guides • Planned commercial developments

Day 2 : data collection

On the second day, visit and interview the various agencies and organizations that you identified on the first day. Your objective for day two is to obtain both general and specific statistical and demographical data about the community. The information gathered is then used to construct a profile of your patrons. The prospective patrons' needs, desires and incomes will determine the menu and concept.

Information you will want to collect will include

- **housing data,** such as number of single and multi-units as well as owner-occupied versus renter-occupied units. Record the price ranges and approximate occupancy levels, if available. Also look for information on new residential developments that may affect your site.
- **transportation statistics,** especially traffic counts, new road construction and information on public transportation, such as the types available, the frequency, the hours and the proximity to your site.

- **industrial and commercial development,** which is a concrete indicator of the direction in which the community is headed. Increased commercial development leads to more people which, in turn, leads to a greater demand for restaurants. The economic development authority and area developers can provide information regarding existing developments and planned projects. They may also provide you with office building occupancy percentages and rental rates. Higher rental rates usually indicate that the tenants have higher incomes and can afford to spend more on dining.
- **recreational activities and recurring events,** such as festivals and fairs. Each event's size and proximity to the proposed restaurant will determine its possible effects.

While gathering the demographic and economic facts and figures, ask people at the various organizations where they eat and what restaurants they enjoy. You may discover additional local preferences.

All statistical information, such as income levels and population levels, should include a trend analysis with comparisons to state and national averages. A trend analysis is necessary to determine the area's economic growth pattern.

It is important to remember, however, that while general area statistics and information are needed, information on the proposed restaurant's primary market area is more important. You can use census statistics, which are segmented by *tracts*—defined areas within communities. Computer services also are available that can give you most of the statistical information you may need. They can even give you information on odd-shaped market areas that don't fall within specific census tracts.

Day 3: primary demand analysis

On day three, finish any leftover business from previous days. Once this is accomplished, you should analyze the primary demand for restaurants by talking to the people who frequent your prospective competition. A scientific approach would be to hire a marketing or consulting firm to survey area residents, influential executives and patrons of competitive restaurants. But you can also proceed on your own. While dining at competitive establishments, initiate conversations with other patrons. You could also interview key personnel from local offices to find out where they dine and why.

What you want to learn from this survey includes

- patrons' dining frequency
- dollars spent on each dining-out occasion

How To Design A Menu

Before you begin

Before you design your menu, consider

- *Physical facilities:* How much space have you allocated to the kitchen? Is the proposed equipment conducive to producing the selected menu items in an efficient manner?
- *Labor capabilities:* Do you have qualified staff to produce your chosen menu items?
- *Food and beverage products:* Are the raw products you need available at a reasonable cost throughout the year? Do the menu items complement each other by providing a variety of shapes, sizes, colors, textures and flavors?
- *Nutritional needs:* Do your prospective patrons have specific dietary requirements? Does your menu reflect the general trend towards nutritious dining?

Designing the menu

Developing a generic menu . . .

The generic menu is the basic framework for the menu. It should provide a balance and variety of food items. Specify the menu items required for each broad food category, such as appetizers, salads, entrees and desserts. For example, you may have 12 entree selections, 10 of them hot and two of them cold. The hot items might include two shellfish dishes, two fish dishes, two beef dishes, three poultry dishes and one veal dish. The cold entrees might be salads.

Developing, testing and perfecting the menu . . .

Once you have the generic menu, the next step is to refine it. Based on concept and patron preferences, research menu ideas from menu cookbooks and industry periodicals and draw on your own personal experiences. This will enable you to expand the generic menu into a descriptive one. For example, the two shellfish items on the generic menu may become a seafood medley in puff pastry with basil sauce and stir-fried shrimp and scallops with fresh vegetables.

Next it is important to test the recipes you select in an environment as similar to a commercial kitchen as possible. While preparing the items, observe the skill required, the preparation time, the holding period, the item's yield and the overall appearance and taste. The recipes may require several modifications.

In addition to testing the recipes, you need to design plate presentations, garnishes and accompaniments. Once the testing is complete and inappropriate recipes have been deleted, the recipes should be standardized. Standardized recipes provide you with a proper tool to maintain consistent quality, control cost through portion size specification and calculate recipe food costs.

After the recipes are developed, conduct a tasting session to further evaluate the proposed menu. Your objective for the taste test should be

1. to evaluate food quality, taste and presentation
2. to compare commercial pre-made products to items prepared on-premise
3. to determine each item's suitability for your prospective patrons, including the appropriate portion size and
4. to assist in determining purchase specifications.

Preparing, plating and photographing presentations . . .

Once all recipes have been developed, tested and perfected, the items should be prepared, plated and photographed for presentation. The pictures ensure that service and production personnel will know exactly how each plate should look. Portioning instructions should accompany the pictures to describe the procedures for assembling the items and the exact portion sizes.

—*Food Design Workshop*

- favorite area restaurants
- preferred/popular foods and beverages
- distance traveled to dine out
- reasons for dining at specific area restaurants
- type of person who eats out
- competitive restaurants
- strengths and weaknesses of area restaurants
- where patrons come from to dine at area restaurants and
- where patrons go after dining at area restaurants.

Day 4: regroup and evaluate

By day four you should be familiar enough with the market area to determine who your patrons may be and what competition you may face. Based on your findings, you should be considering possible concepts. If you cannot envision what concept may work, you need to regroup and pinpoint areas of missing information. If you are unaware of concepts or menu trends that would be attractive, the National Restaurant Association (NRA) markets several consumer research publications that may help, such as "How Consumers Make the Decision to Dine Out." In addition, many major trade publications regularly detail survey findings regarding consumer preferences. These general trends, of course, need to be tailored to your area.

Do not move ahead unless you have completed all tasks from day one through day four.

Day 5: concept formulation and menu development

Your attention should now turn toward developing a concept and menu for your restaurant. Some of the basic elements in this process will be your

restaurant's name—Because a restaurant's name sets the tone for the entire operation, it should be appealing to your prospective clientele. For a recent article on name selection, refer to the February 1985 issue of the ***NRA NEWS***.

number of seats—Although local zoning and building codes determine a freestanding building's maximum size, the configuration of the space depends upon the chosen concept. General guidelines call for allocation of one-half the space for seating areas, including dining and bar seating, and the other half for all support areas, including the kitchen, rest rooms, storage areas, utility rooms and offices. General space allocation rules of thumb range from 12 square feet per seat for fast service eateries and 18 or more square feet per seat for specialty restaurants.

menu style—The selected menu concept depends on elements that range from the expected clientele to the staff's capabilities. For further information see the accompanying sidebar "How to design a menu."

entree price range—Refer to the menus you have collected to competitively price your entrees. Other considerations include cost of goods, labor costs and the price required to generate a profit.

days and hours of operation—These depend on both the identified competition and your patrons' needs.

service style—Service styles range from the flair of tableside cookery to the efficiency of fast food service. The selected style will affect your labor costs, average checks and seat turnover. Leisurely waiter/waitress service will generate a greater labor cost than a self-service buffet, but a greater average check per guest may justify it.

ambiance—The spatial configuration, lighting, surface finishes, furnishings, tabletop appointments, graphics and art all combine to create your specific image. Each selected design ingredient should strengthen the concept without overpowering it.

entertainment—You may want to feature entertainment to complement the concept. It may even be a necessity to compete with other restaurants.

Day 6: financial feasibility

The restaurant's financial feasibility analysis comes next. It is based on the feasibility study and concept development completed on days one through five. To develop the analysis, you will need to know

- number of seats in each area (bar, dining room)
- hours of operation (for each area, each day of the week)
- opening date
- average food and beverage check per guest
- number of turns (ratio of total covers to total available seats for each food and beverage area)
- operating cost data
- locally assessed expenses, such as real estate taxes and
- chosen concept criteria and menu.

The first three items listed are relatively fixed, but the average food and beverage check and the number of seat turns will vary by the hour or service period, day and season.

The market data collected and observations made in competitive restaurants will assist you in forecasting the average food and beverage checks and turnovers. Calculate gross sales by multiplying projected average checks by the seat turnovers. This should be done for each typical week, month or season and totaled for the year's sales. Typically, financial projections should be prepared for the first three fiscal years of operation since longer projections are very uncertain.

After projecting sales, you can use either industry averages or your own experiences to estimate the operating expenses. Industry averages are available in NRA's *Annual Restaurant Industry Operations Report* which delineates restaurant operating expenses by region, menu theme, years in business, location and type of restaurant. Also, the ***NRA NEWS*** regularly provides updates on revenue and expense trends by region for the nation. Depreciation and loan amortization expense should also be projected. Keep in mind that the projected expense levels are directly related to your selected concept. Continually focus on your concept while projecting anticipated expenses.

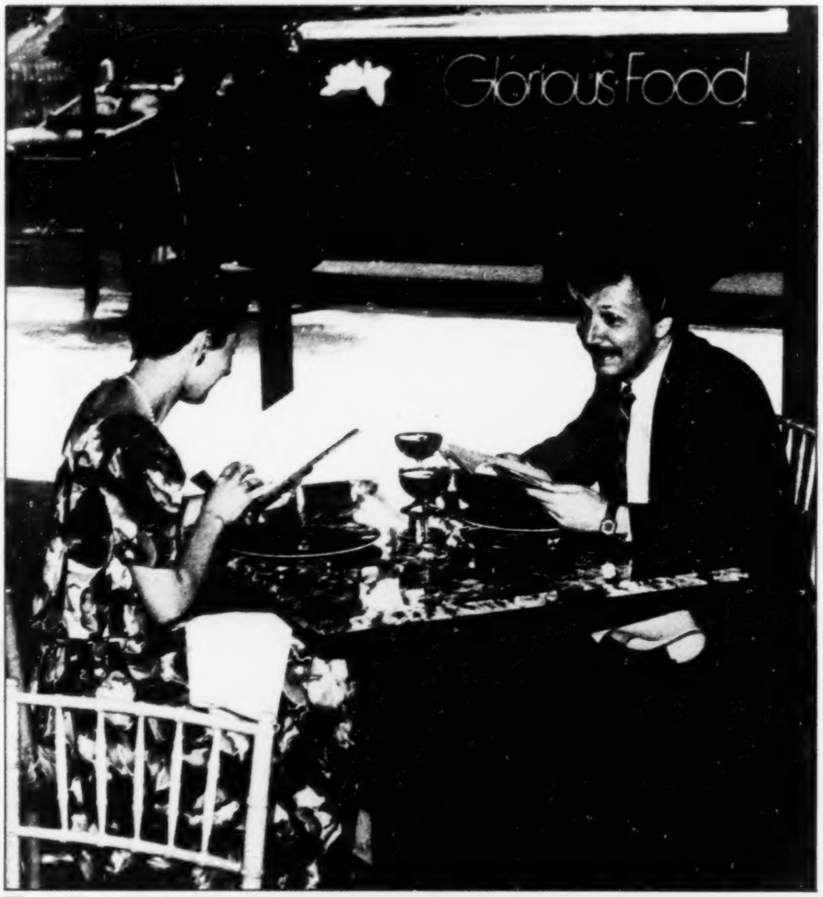
Day 7: wrap up and plan the next stages

If your research and activities over the last several days have proven successful, you should now have a feasible restaurant concept. To proceed from here, you will need professional services to assist you, including those of an architect, foodservice consultant, interior designer, graphics designer, accountant and lawyer, among others to refine the concept and project the capital investment, facilities and manpower requirements for successfully creating your restaurant. How you will finance the restaurant will be of paramount concern.

The planning team and restaurant financing will be the focus of the next two articles in this series. ❑

CREATING RESTAURANT/CATERING COMBOS THAT MESH

by Toni Lydecker



The well-established New York City catering firm Glorious Food, Inc. recently opened a restaurant in Washington, DC, called Glorious Cafe.

A well-established restaurant in Washington, DC, had a problem. Although Le Souperb did a booming business at lunch and dinner, the kitchen stood virtually empty most of the afternoon.

- Two of Raindancer's youngest, most talented chefs stopped by to see Bill Skaggs, Jr., co-owner of the Rockville, MD, restaurant. They asked for more money and more opportunity to develop new skills.
- The Harmony Inn, Lancaster, PA, does a booming business when the weather is beautiful and tourists come to town, but during the off-season, business drops off.

Although these problems appear to be different, they all have one solution—starting an off-premise catering operation.

Benefits of catering . . .

Off-premise catering can push sales figures up without adding a single extra seat to the dining room. Many normal costs of starting a catering business are absorbed by the restaurant. Layne Milowe, co-owner of Swan Caterers, cites some advantages of sharing facilities with Le Souperb: "Basically, it cuts out most of the overhead. The restaurant has to pay rent and utilities anyway. As a result, customers are often surprised by the low prices we're able to offer."

By reducing turnover and improving morale, off-premise catering can also benefit the restaurant whose employees are restless for new challenges. Chefs get a chance to make fancy hors d'oeuvres and create centerpieces, and serving staff enjoy working in a different setting.

For some staff, the payoff may be even more tangible. David Haines, owner of Harmony Inn, has promoted several servers to catering coodinators. By setting up his catering operation as a separate corporation, restaurateur Richard Perry of St. Louis, MO, was able to bring in his chef as a partner.

The restaurant whose business ranges from slow to brisk, depending on the hour, day or season, can help smooth out the fluctuations by doing some off-premise catering. A lackluster Tuesday in the restaurant dining room can turn into gold on the balance sheet if a catered event for 500 people is on the schedule.

Beyond the measurable benefits of doing off-premise catering, many restaurateurs simply believe in diversification as a sound business tactic. The Baking Company, Omaha, NE, attracts customers several different ways by running a restaurant, catering operation, bakery and gourmet deli on the same premises. When dine-in business is down, the other enterprises may be bustling.

Sidestep the pitfalls . . .

Restaurants often back into off-premise catering. At the request of customers, such a restaurant may begin catering just one or two specialties; before long, it is handling several catered events a week.

But because catering draws on the same staff and facilities used for regular service, the owner may have to turn down larger, more profitable jobs or risk hurting the restaurant. Also, a small-scale operation may be equipped only to offer food, thereby missing out on high-profit services provided by a full-line caterer; these include liquor, party planning and tableware rental. Should a restaurant in this situation expand?

At the other extreme, a restaurant may decide to hit the off-premise catering market full force, hiring separate staff and building a special catering kitchen. Although this restaurant has greater capabilities than one that backs into catering, it has incurred certain risks. Building a clientele will require time, and the restaurant has foregone the financial benefits of pooling resources for dine-in and catering business. Is the catering venture likely to increase profitability?

"In these times, it's not enough for a restaurant to do just one thing well."

These two examples show the hard business decisions restaurant owners must make when starting an off-premise catering operation. In determining the nature and extent of their involvement, they should consider the drawbacks as well as the benefits.

According to one consultant, restaurateurs have a problem "sorting fantasy from reality" in thinking about catering. They may see its potential as a profit center without realizing the special problems—ranging from spoiled food to blown fuses—that can occur.

Restaurateurs may also underestimate the amount of money that must be invested in equipment and other accessories to compete successfully with full-service caterers. "I didn't make a nickel on catering for the first three or four years because all my profits went into holding cabinets and other portable equipment. And there's no limit to the amount of china and silver you can use at a big party," says Ren Reid, owner of the Queen Bee Eating Place and Catering Service, Alice, TX.

Accounting systems may camouflage the real costs of a catering operation if they reflect only labor done at the party site, not preparation and cleanup handled at the restaurant. To determine whether the catering operation is holding its own, careful records on the allocation of staff time must be maintained. During the start-up period, managers should also itemize food costs for the catering operation—even ordering some ingredients from different distributors.

When caterers open restaurants . . .

A restaurant owner may encounter problems in starting an off-premise catering operation, but the caterer who decides to open a restaurant enters even more perilous territory. A major obstacle, of course, is money—according to one expert, even a caterer grossing $2 million in annual sales could lack sufficient capital.

After establishing a small but prosperous catering firm in Clarkesville, MD, Marie Louise Rehm and her husband set out to fulfill a lifelong dream of owning a restaurant. Unexpected problems cropped up almost immediately. Located in an unattractive office building with a poorly lighted parking lot, the restaurant pulled very little dinner business. Lease and management problems also contributed to the Rehms' eventual decision to close the restaurant.

A large, well-established caterer, such as New York City's Glorious Food, Inc., has a better chance of beating the success odds. In addition, the firm is known for a best-selling cookbook. Based on this track record Glorious Food recently opened Glorious Cafe in Washington.

The transition from catering to the restaurant business can be made with few resources if the entrepreneur has something unique to offer. Consider the story of Leeann Chin, who emigrated from Hong Kong to Minnetonka, MN, during the 1950s. As a dressmaker, she frequently invited customers to lunch. They encouraged her to write a cookbook, teach cooking and start a catering business.

The next step was a restaurant, financed by the Small Business Administration (SBA) and prominent supporters—among them actor Sean Connery and Carl Pohlad, owner of the Minnesota Twins baseball team. After building a three-restaurant chain with sales totaling $5 million, Chin sold the business to General Mills. The company plans to establish Leeann Chin's Restaurant as a national chain, with Chin at the helm.

Menu planning is crucial . . .

What a restaurant features on its menus is an extremely important decision. Leeann Chin, for example, attributes much of her success to a Cantonese buffet format, for both her restaurants and catered functions. For $11.95 a plate, guests dine on three appetizers, three entrees, fried rice and Chinese salad. The selection of dishes changes frequently, depending on what produce is in season.

Chin has found that the buffet concept minimizes labor costs, turns over seats quickly and facilitates adjusting the menu to take advantage of wholesale food costs. Other operators prefer to use different menus for restaurant and catering customers.

Richard Perry describes the balance he has found: "Our catering menu is nice but not as elaborate as the restaurant menu. For convenience, we tend to serve more room-temperature items." For Ambrosia Restaurant and Catering in Bowling Green, KY, the situation is reversed. Simple salads and sandwiches predominate in the restaurant, while the catering operation serves anything from formal, six-course meals to casual buffets.

"Restaurateurs can have a problem 'sorting fantasy from reality'".

A great disparity between restaurant and catering menus can cause misunderstandings. For example, owners worried that customers might confuse the capabilities of Le Souperb with the catering business run under its auspices. "We didn't want people thinking soup and corned beef—which is what the restaurant is known for—when we're equally prepared to cater shrimp mousse and artichoke bottoms," says Layne Milowe. A different name, Swan Caterers, helped distance the new enterprise from the restaurant.

A restaurateur new to catering learns quickly that written menus are of limited usefulness. Whereas the restaurant customer glances over the menu and says, "I'll have the roast veal, please," the food for a catered function becomes part of a complex negotiation.

Sean Driscoll, owner of Glorious Food, Inc., describes the process. "I meet the customer at the party site, and we begin talking about the likes and dislikes. Little by little, we negotiate the menu, style and price for the function they want. Everything, including the food, is customized."

Smaller operations may use no menu at all for catered functions. Others like to give customers a list of sample menus. A good format for this purpose is a folder containing several pages for service or menu categories; a tab on each page allows the customer to pull out the information on "buffets" or "vegetarian selections."

Co-existing—peacefully—in the same kitchen . . .

Some operators build separate kitchens for their catering and restaurant services to avoid chaos or taxing equipment already used at maximum capacity. Others, however, find that the benefits of sharing facilities far outweigh the disadvantages. Here's how they cope.

> **"Catering and restaurants have a lot in common. If you can master one, there's no reason not to move into the other."**

1. Careful scheduling. When peak times for preparing catered and restaurant food coincide, tensions can build. Catering requests should be refused if they will lead to such a clash in priorities. Many restaurants have a period of kitchen downtime in early to mid-afternoon; catering staff can be scheduled to do the bulk of preparation during these hours.

2. Helping each other out. Even when staff are assigned specifically to catering or restaurant service, there are times when trading off jobs makes sense. If 20 salads are needed for a catering job, an employee can easily make them up while chopping ingredients for the salad bar.

3. Sharing ingredients. The catering and restaurant operations can use some of the same basic foods, even when their preparations are quite different; beef tenderloin could be served whole for a catered affair and made into Beef Wellington in the restaurant. This strategy reduces the risk of ordering too much or too little.

Organizing the staff . . .

When a restaurant manager is out, the assistant manager or bartender fills in. No problem.

This smooth chain of command may not work nearly as well for a catering operation, however. Because a catered function usually involves intensive, one-to-one consultation with the customer, the same manager must sell and supervise a party.

As one caterer says, "When the client who's booked a $10,000 wedding has a problem, she doesn't want to be fobbed off on some manager she's never met. She wants to talk to you—the person who sold her the party."

Customers also like their key contact to show up at the party, at least for a few minutes, a requirement that may limit the number of functions scheduled for the same time period.

Larger restaurant/catering operations may have catering directors and other executive staff whose responsibilities are limited to selling and over-

(continued after Seminar Schedule . . .)

On the road with Yellowstone Kelly's

Yellowstone Kelly's mobile kitchen spends much of the year rolling down the highways of six western states, but what it serves at the final destination does not fit the usual definition of road food.

At a remote mine site in the Wyoming flats, the company might serve visiting company officials a multi-course dinner, complete with wine stewards and formal table service. A casual barbecue, on the other hand, is likely to call for pitchfork fondue. To eat this delicacy, guests spear a strip steak with a pitchfork, then plunge it into beef suet heated in a cauldron over a charcoal fire.

As a restaurant/catering operation, Yellowstone Kelly's is also a one-of-a-kind species. Claiming to be the only off-premise caterer north of Denver, the company clocks 30,000 miles a year to reach customers in Colorado, Montana, North Dakota, South Dakota, Utah and Wyoming.

The base of operations is Billings, MT, where the company owns a restaurant. In most operations, catering plays second fiddle to the restaurant, which represents a larger capital investment—but the reverse is true for Yellowstone Kelly's. The company's main objective in acquiring the restaurant was the use of its large, commissary-type kitchen as support for mobile catering units. In addition to providing storage for supplies, the restaurant kitchen handles initial prep work for catering jobs.

If you ever catch up with Yellowstone Kelly's on the road, you'll know it. The company's caravan includes a 50-foot, fully equipped mobile kitchen; a 15-foot barbecue wagon capable of cooking 300 steaks or 600 hamburgers at once; and a van containing tents, tables and other catering paraphernalia.

It's an elaborate setup by necessity. In isolated areas, there's no question of finding substitutes for items left behind. But the team's biggest fear, says owner John Clawson, is not forgetting the mustard or the napkins. It's breaking an axle on a little-travelled back road or running out of fresh water.

Meals range in price from $3 to $150 per person. Because customers must pay the company's transportation costs, they often schedule two or three functions end to end. For example, Yellowstone Kelly's might roast a pig, with all the trimmings, for participants in a power plant dedication. The next day, they may be on hand to cater an employee picnic.

Except for the Christmas season, the catering business in far-flung locations is slow during the winter. So Yellowstone Kelly's emphasis shifts to Billings to fill in the slack.

National Restaurant Association

Education Programs

July–December 1985

The National Restaurant Association is pleased to present its July—December 1985 Education Programs Schedule. Again, we have listed our programs three ways: by category, by date and by location. This will make it easier for you to decide which courses best suit your needs.

In our Basic Foodservice Series, we include fundamental educational programs that are most needed by a majority of the industry. In the Food Production Series, we offer both elementary and more advanced food preparation seminars and workshops. The Foodservice Management Series is generally designed to suit the needs of a more advanced or specialized audience.

Whichever category or course you choose, you will be aware of NRA's fundamental commitment to quality.

SEMINARS BY TOPIC

BASIC FOODSERVICE COURSES

Basic Supervision in Foodservice

7/17	Memphis, TN
8/5	Portland, OR
8/14	Jackson, MS
11/12	Savannah, GA
12/3	San Jose, CA

Dining Room Management

7/9	Irvine, CA
7/30	Atlanta, GA
8/14	Denver, CO
8/21	Virginia Beach, VA
9/4	Winnipeg, Manitoba, Canada
9/16	Las Vegas, NV
9/24	Burlington, VT
10/8	Bloomington, MN
10/22	Madison, WI
11/4	St. Louis, MO
11/13	Portland, ME
11/18	Billings, MT
11/20	Seattle, WA
12/3	Tampa, FL
12/5	Philadelphia, PA
12/10	Albuquerque, NM

Kitchen Management

7/9	Charleston, WV
8/7	Boston, MA
9/10	Charlotte, NC
9/12	Birmingham, AL
9/17	Toronto, Ontario, Canada
10/1	Wilmington, DE
10/22	Colorado Springs, CO
10/24	Eugene, OR
12/10	Davenport, IA
12/12	Cheyenne, WY

People-power and Profits

7/15	Newark, NJ
7/19	Portsmouth, NH
9/12	Tucson, AZ
10/10	Falmouth, MA
11/21	Knoxville, TN

Tools for Training

7/9	Phoenix, AZ
8/13	Tulsa, OK
9/4	Minneapolis, MN
9/18	Columbia, SC
10/24	Kansas City, MO
11/7	Toronto, Ontario, Canada
11/19	Honolulu, HI
12/9	Columbus, OH

FOOD PRODUCTION COURSES

Creative Buffets

7/15	Louisville, KY
9/9	Atlantic City, NJ
9/19	Newport, RI
10/10	Arlington, VA
10/17	Indianapolis, IN
11/18	Chicago, IL

The Pantry: Prep for Profit

8/1	Hartford, CT
8/15	Philadelphia, [illegible]
9/11	Columbus, OH
9/25	Alexandria, VA
12/3	Atlanta, GA

Perfecting Your Culinary Skills

7/30	Cleveland, OH
8/22	Baltimore, MD
9/10	Atlantic City, NJ
9/26	Austin, TX
10/22	Boise, ID
10/24	Spokane, WA
11/7	Omaha, NE

Simplified Baking Workshop

8/13	Hyde Park, NY
9/17	San Diego, CA
9/19	Sacramento, CA
11/12	Boston, MA
11/14	Philadelphia, PA

Soups & Sauces

8/5	Detroit, MI
10/15	Baltimore, MD
10/16	Williamsburg, VA
10/23	Burlington, VT
10/29	Pittsburgh, PA
11/14	Portland, OR

FOODSERVICE MANAGEMENT COURSES

Banquet Management

9/10	Atlantic City, NJ
9/16	Washington, DC
10/3	Chicago, IL
11/12	Raleigh, NC

Computers in Foodservice: A Primer

7/11	Portland, OR
7/23	San Jose, CA
8/13	Milwaukee, WI
9/23	Little Rock, AR
10/22	Oklahoma City, OK
12/2	Rochester, NY

Computers in Foodservice: Advanced Technology

7/22	Seattle, WA
8/5	San Jose, CA
8/14	Milwaukee, WI
9/10	Detroit, MI
10/23	Oklahoma City, OK

Employee Motivation

9/9	Owensboro, KY
9/11	Kansas City, MO
10/8	Salt Lake City, UT
10/27	Wichita, KS
11/13	Grand Rapids, MI
12/4	Rutland, VT

Food Cost Management

7/15	Sarasota, FL
8/12	Vienna, VA
9/9	Atlantic City, NJ
9/23	Denver, CO
9/30	Baltimore, MD
10/21	Ottawa, Ontario, Canada
12/2	Dallas, TX
12/9	Las Vegas, NV

As you review the schedule, you will note the addition of several new courses: *Banquet Management*, *Creative Buffets* and *Employee Motivation*. As our industry evolves, NRA will continue to help you prepare for changes and trends through new educational programs. Each new program is developed at the request of NRA members. Each is specifically tailored to meet your needs as you strive to keep pace with the dynamics of the foodservice marketplace.

Also outlined in this schedule is the NRA's 1985-86 National Conference Series. The standards we have set for these conferences reflects the association's efforts to maintain high standards throughtout its activities. We suggest you review the topics, and plan to attend the National Conferences which best fit your educational needs.

Menu Development

7/23	Madison, WI
7/25	Saginaw, MI
8/20	St. Louis, MO
9/17	Atlanta, GA
9/25	Shreveport, LA
10/14	Louisville, KY
10/15	Nashville, TN
11/19	Concord, NH

Off-Premise Catering

9/4–5	Seattle, WA
9/9–10	Newton, MA
10/22–23	Minneapolis, MN
10/28–29	San Diego, CA
11/20–21	Richmond, VA
12/2–3	Lexington, KY

Operational Analysis

8/20–21	Denver, CO
9/18–19	Baltimore, MD
10/7–8	Detroit, MI
10/28–29	San Antonio, TX

Planning and Implementing Restaurant Marketing Strategy

7/10–11	New Orleans, LA
8/7–8	Pittsburgh, PA
9/9–10	Atlantic City, NJ
9/25–26	Milwaukee, WI
10/8–9	Westchester, NY
11/20–21	Los Angeles, CA
12/4–5	Salt Lake City, UT

Real Estate & Restaurant Site Selection

9/16–17	Jacksonville, FL
10/2–3	Washington, DC
10/21–22	Boston, MA

Restaurant Design & Facilities Planning

8/28–29	Houston, TX
10/30–31	Cincinnati, OH
12/11–12	Seattle, WA

National Conferences

National Conference on Marketing, Advertising and Promotions
8/25–28 Chicago, IL

Tenth Annual California Wine Workshop
9/20—25 Napa Valley, CA

National Conference on Catering
11/10–13 Las Vegas, NV

INFO 86: Independent Operators National Conference
2/16–19/86 Orlando, FL

National Conference on Computers
3/16–19/86 Washington, DC

SEMINARS BY STATE

ALABAMA

9/12	Kitchen Management	Birmingham

ARIZONA

7/9	Tools for Training	Phoenix
9/12	People-power and Profits	Tucson

ARKANSAS

9/23	Computers in Foodservice: A Primer	Little Rock

CALIFORNIA

7/9	Dining Room Management	Irvine
7/23	Computers in Foodservice: A Primer	San Jose
8/6	Computers in Foodservice: Advanced Technology	San Jose
9/17	Simplified Baking Workshop	San Diego
9/19	Simplified Baking Workshop	Sacramento
9/20–25	**Tenth Annual California Wine Workshop**	**Napa Valley**
10/28–29	Off-Premise Catering	San Diego
11/20–21	Planning and Implementing Restaurant Marketing Strategy	Los Angeles
12/3	Basic Supervision in Foodservice	San Jose

COLORADO

8/14	Dining Room Management	Denver
8/20–21	Operational Analysis	Denver
9/23	Food Cost Management	Denver
10/22	Kitchen Management	Colorado Springs

CONNECTICUT

8/1	The Pastry: Prep for Profit	Hartford

DELAWARE

10/1	Kitchen Management	Wilmington

DISTRICT OF COLUMBIA

8/12	Food Cost Management	Vienna
9/16	Banquet Management	Washington, DC
9/25	The Pantry: Prep for Profit	Alexandria
10/2–3	Real Estate & Restaurant Site Selection	Washington, DC
10/10	Creative Buffets	Arlington
3/16–19/86	**National Conference on Computers in Foodservice**	**Washington, DC**

FLORIDA

7/15	Food Cost Management	Sarasota
9/16–17	Real Estate & Restaurant Site Selection	Jacksonville
12/3	Dining Room Management	Tampa
2/16–19/86	**INFO 86: Independent Operators National Conference**	**Orlando**

GEORGIA

7/30	Dining Room Management	Atlanta
9/17	Menu Development	Atlanta
11/12	Basic Supervision in Foodservice	Savannah
12/3	The Pantry: Prep for Profit	Atlanta

HAWAII

11/19	Tools for Training	Honolulu

IDAHO

10/22	Perfecting Your Culinary Skills	Boise

ILLINOIS

8/25–28	**National Conference on Marketing, Advertising and Promotions**	**Chicago**
10/3	Banquet Management	Chicago
11/18	Creative Buffets	Chicago

INDIANA

10/17	Creative Buffets	Indianapolis

IOWA

12/10	Kitchen Management	Davenport

KANSAS

10/27	Employee Motivation	Wichita

KENTUCKY

7/15	Creative Buffets	Louisville
9/9	Employee Motivation	Owensboro
10/14	Menu Development	Louisville
12/2–3	Off-Premise Catering	Lexington

LOUISIANA

7/10–11	Planning and Implementing Restaurant Marketing Strategy	New Orleans
9/25	Menu Development	Shreveport

MAINE

11/13	Dining Room Management	Portland

MARYLAND

8/22	Perfecting Your Culinary Skills	Baltimore
9/18–19	Operational Analysis	Baltimore
9/30	Food Cost Management	Baltimore
10/15	Soups & Sauces	Baltimore
		Baltimore

MASSACHUSETTS

8/7	Kitchen Management	Boston
9/9–10	Off-Premise Catering	Newton
10/10	People-power and Profits	Falmouth
10/21–22	Real Estate & Restaurant Site Selection	Boston
11/12	Simplified Baking Workshop	Boston

MICHIGAN

7/25	Menu Development	Saginaw
8/6	Soups and Sauces	Detroit
9/10	Computers in Foodservice Advanced Technology	Detroit
10/7–8	Operational Analysis	Detroit
11/13	Employee Motivation	Grand Rapids

MINNESOTA

9/4	Tools for Training	Minneapolis
10/8	Dining Room Management	Bloomington
10/22–23	Off-Premise Catering	Minneapolis

MISSISSIPPI

9/14	Basic Supervision in Foodservice	Jackson

MISSOURI

8/20	Menu Development	St. Louis
9/11	Employee Motivation	Kansas City
10/24	Tools for Training	Kansas City
11/4	Dining Room Management	St. Louis

MONTANA

11/18	Dining Room Management	Billings

NEBRASKA

11/7	Perfecting Your Culinary Skills	Omaha

NEVADA

9/16	Dining Room Management	Las Vegas
11/10–13	**National Conference on Catering**	**Las Vegas**
12/9	Food Cost Management	Las Vegas

NEW HAMPSHIRE

7/17	People-power and Profits	Portsmouth
11/19	Menu Development	Concord

NEW JERSEY

7/15	People-power and Profits	Newark
9/9	Food Cost Management	Atlantic City
9/9	Creative Buffets	Atlantic City

9/9–10	Planning and Implementing Restaurant Marketing Strategy	Atlantic City
9/10	Banquet Management	Atlantic City
9/10	Perfecting Your Culinary Skills	Atlantic City

NEW MEXICO

12/10	Dining Room Management	Albuquerque

NEW YORK

8/13	Simplified Baking Workshop	Hyde Park
10/8–9	Planning and Implementing Restaurant Marketing Strategy	Westchester
12/2	Computers in Foodservice: A Primer	Rochester

NORTH CAROLINA

9/10	Kitchen Management	Charlotte
11/12	Banquet Management	Raleigh

OHIO

7/30	Perfecting Your Culinary Skills	Cleveland
9/11	The Pantry: Prep for Profit	Columbus
10/30–31	Restaurant Design & Facilities Planning	Cincinnati
12/9	Tools for Training	Columbus

OKLAHOMA

8/13	Tools for Training	Tulsa
10/22	Computers in Foodservice: A Primer	Oklahoma City
10/23	Computers in Foodservice: Advanced Technology	Oklahoma City

OREGON

7/11	Computers in Foodservice: A Primer	Portland
8/5	Basic Supervision in Foodservice	Portland
10/24	Kitchen Management	Eugene
11/14	Soups & Sauces	Portland

PENNSYLVANIA

8/7–8	Planning and Implementing Restaurant Marketing Strategy	Pittsburgh
8/15	The Pantry: Prep for Profit	Philadelphia
10/29	Soups & Sauces	Pittsburgh
11/14	Simplified Baking Workshop	Philadelphia
12/5	Dining Room Management	Philadelphia

RHODE ISLAND

9/19	Creative Buffets	Newport

SOUTH CAROLINA

9/18	Tools for Training	Columbia

TENNESSEE

7/17	Basic Supervision in Foodservice	Memphis
10/15	Menu Development	Nashville
11/21	People-power and Profits	Knoxville

TEXAS

8/28–29	Restaurant Design & Facilities Planning	Houston
9/26	Perfecting Your Culinary Skills	Austin
10/28–29	Operational Analysis	San Antonio
12/2	Food Cost Management	Dallas

UTAH

10/8	Employee Motivation	Salt Lake City
12/4–5	Planning and Implementing Restaurant Marketing Strategy	Salt Lake City

VERMONT

9/24	Dining Room Management	Burlington
10/28	Soups & Sauces	Burlington
12/4	Employee Motivation	Rutland

VIRGINIA

8/12	Food Cost Management	Vienna
8/21	Dining Room Management	Virginia Beach
9/25	The Pantry: Prep for Profit	Alexandria
10/10	Creative Buffets	Arlington
10/16	Soups & Sauces	Williamsburg
11/20–21	Off-Premise Catering	Richmond

WASHINGTON

7/22	Computers in Foodservice: Advanced Technology	Seattle
9/4–5	Off-Premise Catering	Seattle
10/24	Perfecting Your Culinary Skills	Spokane
11/20	Dining Room Management	Seattle
12/11–12	Restaurant Design & Facilities Planning	Seattle

WEST VIRGINIA

7/9	Kitchen Management	Charleston

WISCONSIN

7/23	Menu Development	Madison
8/13	Computers in Foodservice: A Primer	Milwaukee
8/14	Computers in Foodservice: Advanced Technology	Milwaukee
9/25–26	Planning and Implementing Restaurant Marketing Strategy	Milwaukee
10/22	Dining Room Management	Madison

WYOMING

12/12	Kitchen Management	Cheyenne

CANADA

9/4	Dining Room Management	Winnipeg, Manitoba
9/17	Kitchen Management	Toronto, Ontario
10/21	Food Cost Management	Ottawa, Ontario
11/7	Tools for Training	Toronto, Ontario

SEMINARS BY MONTH

JULY

7/9	Tools for Training	Phoenix, AZ
7/9	Kitchen Management	Charleston, WV
7/9	Dining Room Management	Irvine, CA
7/10–11	Planning and Implementing Restaurant Marketing Strategy	New Orleans, LA
7/11	Computers in Foodservice: A Primer	Portland, OR
7/15	Creative Buffets	Louisville, KY
7/15	People-power & Profits	Newark, NJ
7/15	Food Cost Management	Sarasota, FL
7/17	Basic Supervision in Foodservice	Memphis, TN
7/17	People-power & Profits	Portsmouth, NH
7/22	Computers in Foodservice: Advanced Technology	Seattle, WA
7/23	Computers in Foodservice: A Primer	San Jose, CA
7/23	Menu Development	Madison, WI
7/25	Menu Development	Saginaw, MI
7/30	Perfecting Your Culinary Skills	Cleveland, OH
7/30	Dining Room Management	Atlanta, GA

AUGUST

8/1	The Pantry: Prep for Profit	Hartford, CT
8/5	Computers in Foodservice: Advanced Technology	San Jose, CA
8/5	Soups & Sauces	Detroit, MI
8/5	Basic Supervision in Foodservice	Portland, OR
8/7	Kitchen Management	Boston, MA
8/7–8	Planning and Implementing Restaurant Marketing Strategy	Pittsburgh, PA
8/12	Food Cost Management	Vienna, VA
8/13	Simplified Baking Workshop	Hyde Park, NY
8/13	Computers in Foodservice: A Primer	Milwaukee, WI
8/13	Tools for Training	Tulsa, OK
8/14	Dining Room Management	Denver, CO
8/14	Basic Supervision in Foodservice	Jackson, MS
8/14	Computers in Foodservice: Advanced Technology	Milwaukee, WI
8/15	The Pantry: Prep for Profit	Philadelphia, PA
8/20	Menu Development	St. Louis, MO
8/20–21	Operational Analysis	Denver, CO
8/21	Dining Room Management	Virginia Beach, VA
8/22	Perfecting Your Culinary Skills	Baltimore, MD
8/25–28	**National Conference on Marketing, Advertising and Promotions**	**Chicago, IL**
8/28–29	Restaurant Design & Facilities Planning	Houston, TX

SEPTEMBER

9/4	Tools for Training	Minneapolis, MN
9/4–5	Off-Premise Catering	Seattle, WA
9/4	Dining Room Management	Winnipeg, Manitoba, Canada
9/9	Food Cost Management	Atlantic City, NJ
9/9	Creative Buffets	Atlantic City, NJ
9/9	Employee Motivation	Owensboro, KY
9/9–10	Off-Premise Catering	Newton, MA
9/9–10	Planning and Implementing Restaurant Marketing Strategy	Atlantic City, NJ
9/10	Banquet Management	Atlantic City, NJ
9/10	Perfecting Your Culinary Skills	Atlantic City, NJ
9/10	Kitchen Management	Charlotte, NC
9/10	Computers in Foodservice: Advanced Technology	Detroit, MI
9/11	Employee Motivation	Kansas City, MO
9/11	The Pantry: Prep for Profit	Columbus, OH
9/12	Kitchen Management	Birmingham, AL
9/12	People-power & Profits	Tucson, AZ
9/16	Dining Room Management	Las Vegas, NV
9/16	Banquet Management	Washington, DC
9/16–17	Real Estate & Restaurant Site Selection	Jacksonville, FL
9/17	Simplified Baking Workshop	San Diego, CA
9/17	Kitchen Management	Toronto, Ontario, Canada
9/17	Menu Development	Atlanta, GA
9/18	Tools for Training	Columbia, SC
9/18–19	Operational Analysis	Baltimore, MD
9/19	Simplified Baking Workshop	Sacramento, CA
9/19	Creative Buffets	Newport, RI
9/20–25	**Tenth Annual California Wine Workshop**	**Napa Valley, CA**
9/23	Computers in Foodservice: A Primer	Little Rock, AR
9/23	Food Cost Management	Denver, CO
9/24	Dining Room Management	Burlington, VT
9/25	Menu Development	Shreveport, LA
9/25	The Pantry: Prep for Profit	Alexandria, VA
9/25–26	Planning & Implementing Restaurant Marketing Strategy	Milwaukee, WI
9/26	Perfecting Your Culinary Skills	Austin, TX
9/30	Food Cost Management	Baltimore, MD

OCTOBER

10/1	Kitchen Management	Wilmington, DE
10/2–3	Real Estate & Restaurant Site Selection	Washington, DC
10/3	Banquet Management	Chicago, IL
10/7–8	Operational Analysis	Detroit, MI
10/8	Dining Room Management	Bloomington, MN
10/8	Employee Motivation	Salt Lake City, UT
10/8–9	Planning and Implementing Restaurant Marketing Strategy	Westchester, NY
10/10	Creative Buffets	Arlington, VA
10/10	People-power & Profits	Falmouth, MA
10/14	Menu Development	Louisville, KY
10/15	Menu Development	Nashville, TN
10/15	Soups & Sauces	Baltimore, MD
10/16	Soups & Sauces	Williamsburg, VA
10/17	Creative Buffets	Indianapolis, IN
10/21	Food Cost Management	Ottawa, Ontario, Canada

10/21–22	Real Estate & Restaurant Site Selection	Boston, MA
10/22	Dining Room Management	Madison, WI
10/22	Computers in Foodservice: A Primer	Oklahoma City, OK
10/22	Kitchen Management	Colorado Springs, CO
10/22	Perfecting Your Culinary Skills	Boise, ID
10/22–23	Off-Premise Catering	Minneapolis, MN
10/23	Computers in Foodservice: Advanced Technology	Oklahoma City, OK
10/24	Tools for Training	Kansas City, MO
10/24	Perfecting Your Culinary Skills	Spokane, WA
10/24	Kitchen Management	Eugene, OR
10/27	Employee Motivation	Wichita, KS
10/28	Soups & Sauces	Burlington, VT
10/28–29	Operational Analysis	San Antonio, TX
10/28–29	Off-Premise Catering	San Diego, CA
10/29	Soups & Sauces	Pittsburgh, PA
10/30–31	Restaurant Design & Facilities Planning	Cincinnati, OH

NOVEMBER

11/4	Dining Room Management	St. Louis, MO
11/7	Perfecting Your Culinary Skills	Omaha, NE
11/7	Tools for Training	Toronto, Ontario, Canada
11/10–13	**National Conference on Catering**	**Las Vegas, NV**
11/12	Basic Supervision in Foodservice	Savannah, GA
11/12	Banquet Management	Raleigh, NC
11/12	Simplified Baking Workshop	Boston, MA
11/13	Dining Room Management	Portland, ME
11/13	Employee Motivation	Grand Rapids, MI
11/14	Simplified Baking Workshop	Philadelphia, PA
11/14	Soups & Sauces	Portland, OR
11/18	Dining Room Management	Billings, MT
11/18	Creative Buffets	Chicago, IL
11/19	Menu Development	Concord, NH
11/19	Tools for Training	Honolulu, HI
11/20	Dining Room Management	Seattle, WA
11/20–21	Off-Premise Catering	Richmond, VA
11/20–21	Planning and Implementing Restaurant Marketing Strategy	Los Angeles, CA
11/21	People-power & Profits	Knoxville, TN

DECEMBER

12/2–3	Off-Premise Catering	Lexington, KY
12/2	Computers in Foodservice: A Primer	Rochester, NY
12/2	Food Cost Management	Dallas, TX
12/3	Basic Supervision in Foodservice	San Jose, CA
12/3	The Pantry: Prep for Profit	Atlanta, GA
12/3	Dining Room Management	Tampa, FL
12/4	Employee Motivation	Rutland, VT
12/4–5	Planning and Implementing Restaurant Marketing Strategy	Salt Lake City, UT
12/5	Dining Room Management	Philadelphia, PA
12/9	Food Cost Management	Las Vegas, NV
12/9	Tools for Training	Columbus, OH
12/10	Kitchen Management	Davenport, IA
12/10	Dining Room Management	Albuquerque, NM
12/11–12	Restaurant Design & Facilities Planning	Seattle, WA
12/12	Kitchen Management	Cheyenne, WY

REGISTRATION

Please print or type

Seminar ______________________

Date and location ______________________

Name ______________________

Title ______________________

Name ______________________

Title ______________________

Seminar ______________________

Date and location ______________________

Name ______________________

Title ______________________

Name ______________________

Title ______________________

Company ______________________

Mailing Address ______________________

City, State ______________________

ZIP ____________ Phone (____) ____________

For fast, easy registration call 800/424-5156 (toll free) or 202/638-6100

Basic Foodservice Courses

	Member*	Non-member
(No discount applies)	$115	$145

Food Production Courses

Number of people attending from your organization	Member*	Non-member
One person	$145	$185
Two or more	$130 each	$170 each

Foodservice Management Courses

One-day seminars	Member*	Non-member
One person	$145	$185
Two or more	$130 each	$170 each
Two-day seminars		
One person	$310	$390
Two or more	$270 each	$350 each

*NRA or co-sponsoring state association

☐ NRA Member

____________ Member #

☐ Co-sponsoring association member

☐ Check enclosed

Make checks payable to National Restaurant Association

☐ **Yes.** Send me information on the following seminars

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Mail this form to:
National Restaurant Assn. 311 First St, N.W., Wash., DC 20001

Continuing education credit—The International Food Service Executives Association (IFSEA), the Dietary Managers Association (DMA) and the American Culinary Federation (ACF) have approved NRA's courses for continuing education credit.

Tax deductible—Your attendance at this NRA seminar is tax deductible, according to Treasury Regulation 1.162.5.

Discount for multiple attendance—When two or more attendees register from the same company for selected programs, each will receive a discount off the regular registration fee. Special discounts available for larger groups.

Guarantee—If you are not satisfied that the knowledge gained at the seminar is useful and will help you to do a better job, we will give you a full refund of your entire seminar fee. If you should feel the need to request such a refund please write within 10 days of your course attendance to Larry Fidel, Education Programs, National Restaurant Association, 311 First St., N.W., Washington, DC 20001.

IN-HOUSE PROGRAMS

If you are a small to mid-sized, multi-unit operator of restaurants, hotels or fast food outlets, in-house seminar presentations are ideal for you. "Seminars to Go" is an economical and practical way to motivate your staff by showing you are concerned about their professional growth, not to mention the direct benefits your organization will derive from maintaining a well trained staff. Certainly one, or perhaps several of NRA's highly respected seminars will meet your training needs. For more information on "Seminars to Go" or on NRA presentations at your conferences and conventions, write or call Deborah Apoldo in the Education Programs Department at (800)424-5156 or (202)638-6100.

REGISTRATION FEES

Basic Foodservice Courses

(No discount applies)

Member*	Non-member
$115	$145

Food Production Courses

Number of people attending from your organization	Member*	Non-member
One person	$145	$185
Two or more	$130 each	$170 each

Foodservice Management Courses

One-day seminars	Member*	Non-member
One person	$145	$185
Two or more	$130 each	$170 each
Two-day seminars		
One person	$310	$390
Two or more	$270 each	$350 each

Discount for multiple attendance—When two or more attendees register from the same company for selected programs, each will receive a discount off the regular registration fee. Special discounts available for larger groups.

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National Conferences

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Fast service restaurants can cater

Would you ask the Colonel to cater your wedding?

That's what happens approximately a hundred times each year in Omaha, NE. Chix Inc., the corporation that owns the franchise rights to all the Kentucky Fried Chicken (KFC) operations in Omaha, caters not only weddings, but business, church and school functions as well.

"It all started 10 years ago," explains Greg Cutchall, Chix vice president. At that time, company executives perceived the potential of an untapped catering market.

"Our operations were always able to fill large orders but nothing was ever done on a formal basis to promote that end of the business," he maintains.

To begin, Chix developed point-of-sale brochures that were placed in all KFC locations and started a direct mail campaign aimed at area businesses and organizations. Because there was no overhead, the initial investment was very small.

The company produced a catering package complete with aluminum trays, napkins, forks, serving tongs and large spoons. It also decided to offer delivery service, although 60 percent of orders are picked up by the customer. And, for orders over $300, servers are available to assist with the event. Prices are quoted on a per meal basis. Every item is available to walk-in customers. On request, an item can be added, such as differ ent kinds of salads or breads.

At present, the company caters 250 functions per month. And that includes weddings and anniversaries. "When we realized there was a market for these events, we developed high quality disposable products and eliminated the KFC logos," Cutchall explains. "The menu items remain the same, but the appearance of the food seems upscale." This setup can have great appeal for people who do not have a lot of money to spend. "By the way," he quips, "we don't put buckets on the table." On the contrary, food is arranged in serving trays, just as it would at any catered function.

An attractive feature of this service is its flexibility. Customers can cancel up to two hours before the event. "There is never any waste because all of the items can be distributed to other KFCs in the area," says Cutchall. "Or," he continues, "a customer can frantically call us at eight in the morning, and we can have a complete spread ready for 200 people by noon."

Will all fast service operations jump on the catering bandwagon? Cutchall predicts that catering in fast service restaurants may someday have a wider application. "But for now," he says, "very few items in fast food restaurants can withstand the holding time. Right now this service is limited to chicken or barbecued products."

As a matter of fact, one rib establishment has contacted Chix for advice on how to start up a catering operation. "Who knows?" wonders Cutchall. "Catering may one day become an integral part of the services offered by fast service establishments."

—Elyse Cuttler

seeing parties. In a smaller business, the owner/manager often becomes the principal contact.

An operation may hire separate chefs, servers and other staff for catering and restaurant service. More commonly, the same staff handle both ends of the business, an arrangement likely to create more interest and variety in their jobs—unless the volume of business is so great that they consistently feel overworked.

If this is true, the best option may be to treat catered functions as optional free-lance work that is offered first to permanent staff, then to others. Additional staff for catering are hired much the same way as temporary or seasonal workers; keep a roster of trained personnel willing to work on call or engage staff through a temporary help agency or ads in newspapers.

If you do use temporary workers, make sure you always have written instructions, maps to functions, room layouts, on-site rehearsals and clearly defined dress codes and behavior standards, suggests Richard DeSantis of Guest Services in Fairfax, VA. "Being in the catering business is like being in a field drill. You cannot be unprepared."

Your marketing strategy . . .

Most catering jobs are born of previous catering jobs. "Every party we cater, we try to pick up another job," says restaurateur Ren Reid. But the word-of-mouth system can sometimes backfire. "You're only as good as your last party," warns Reid.

Each part of the restaurant/catering combo can help sell the other, particularly when the menus are similar.

Starting a catering business helped polish Harmony Inn's rather tarnished image, for instance. "When I bought the restaurant, its reputation was not the best, but I didn't want to change the name. Catering got us out into the community and helped spread the word that we had changed for the better," says David Haines.

In turn, the restaurant can help promote catering services. When the catering business is considered as important as regular restaurant services, it may even be advertised in the operation's name: The Queen Bee Eating Place and Catering Service is one example. At Raindancer, a sign in the restaurant lobby and an insert in the menu invite customers to drop by the new catering office next door.

Even when catering services are not marketed directly through the restaurant, an affiliation can be helpful. Customers who have never heard of Swan Caterers, which started only three years ago, are reassured to learn it is under the same management as Le Souperb, a well-known restaurant in business a dozen years.

Print and radio advertising that succeeds in drawing restaurant customers may be of surprisingly little value in promoting the catering operation. When aimed at business customers, personal visits by sales personnel and direct mail may be more useful in getting a new catering business started.

The combo can work . . .

Running a catering operation requires a different blend of management skills and creative flair than does running a restaurant. The operator who tries to impose exactly the same conceptual, staffing and marketing approaches on both is headed for trouble. With a little ingenuity, however, the two can mesh beautifully. ☐

ANNIVERSARY CELEBRATIONS

Anniversary celebrations reintroduce the restaurant to old customers and create renewed excitement.

by Kathy Boyle

On one evening of his restaurant's weeklong anniversary celebration, John Grisanti, owner of Grisanti's Restaurant in Memphis, TN, personally invited 10 of his best customers to a thank you dinner. He phoned them to let them know a chauffeured car would be by to pick them up. What Grisanti didn't tell them was that he had contacted the local antique car association, and the chauffeured vehicle was a vintage automobile. The longtime customers were charmed, even the couple who rode in the rumble seat.

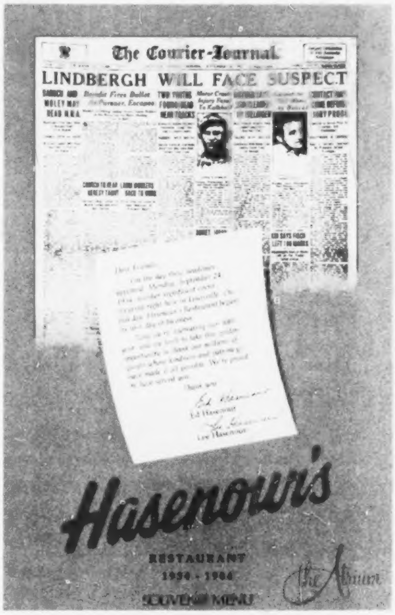
Whether it's a restaurant's first, fifth or 50th anniversary, most restaurateurs want to celebrate those cherished years with some sort of gala to share their pride with loyal customers. The creative ideas for how to celebrate are almost limitless. Here is an overview of some of them.

Price promotions . . .

The most widely used anniversary promotion is a price rollback to the restaurant's original prices. Restaurateurs caution, however, that it is a good idea to place very strict constraints on the rollback so that it will not be too much of a strain on the establishment's resources. Most establishments cut their prices for only one day or evening. For its 10th anniversary, the Pleasant Peasant Restaurants, headquartered in Atlanta, GA, turned back the clocks from 5:30 p.m. to midnight, serving the original menu at the original prices.

For its 1909 night, Grisanti's Restaurants took the regular menu, scratched out the prices and penned in prices from the turn of the century. "We made coffee five cents, reduced an $8.00 dinner to $1.25 and offered spaghetti at 50 cents a plate," tells John Grisanti.

Don's Chuck Wagon in East Detroit, MI, featured a 15-cent hamburger for its 38th anniversary celebration. Customers were free to buy as many as they wanted. "People were ordering six hamburgers and then couldn't eat them," recalls owner Don Rucinski. "This past year we ran a beverage and hamburger special at a reduced price for our anniversary, but this time we set a one-to-a-customer limit."



Other establishments, such as Hasenour's Restaurant in Louisville, KY, which celebrated its 50th anniversary last year, created a special discounted dinner. At Hasenour's the dinner for two (with a choice of either beef tenderloin or Cornish hen) was $19.34, commemorating the year of the restaurant's founding—1934. In addition to the dinner special, Hasenour's put a bottle of champagne on each table at a very attractive price—$8.00—which included the champagne and two commemorative 50th anniversary glasses to keep.

According to Lee Hasenour, son of the restaurant's founder Ed Hasenour (still active in the business), "The weeklong dinner special was almost a giveaway at that price. I'd say we just about broke even on it."

Commemorative menus . . .

Designing a special menu for anniversary celebrations is also popular with operators. When El Torito's celebrated its 30th anniversary in 1983, it introduced a range of Mexican regional specialties that were quite different from the familiar Sonora style cuisine. To highlight the new items, El Torito's designed a colorful anniversary menu, depicting stylized scenes of various regions of Mexico.

Another idea is to create a menu

L'Escargot celebrated its anniversary with a three-legs-in-a-dry-sack race.

cover from the news stories of a particular anniversary year era.

Creating new menu items . . .

Launching new menu items on an anniversary can also be an effective way to tell customers that an establishment is enduring. As part of T.G.I. Friday's 20th anniversary celebration, the chain introduced three new menu items: gourmet chicken sandwiches, gourmet potato skins and Flings, a selection of non-alcoholic drinks. One of Friday's 11 new varieties of gourmet chicken sandwiches is Miami Chicken, created by Friday's bartender Arianne Pennington and named after her hometown in Florida.

The Flings drinks are Friday's second line of non-alcoholic beverages (the first major line, Smoothies, was created during the 1984 Summer Olympics). There are five Flings drinks. They are mixed with fresh fruit juices and naturally flavored sparkling waters, and are then blended and poured over ice.

To celebrate its golden anniversary, Ernie's Restaurant in San Francisco, CA, also expanded its already extensive wine list. More than two dozen vintages and varietals were added. Ernie's hosted a special tour of the wine cellar and held a press luncheon to introduce the new selections.

Bringing back an old-time favorite can also build excitement. McDonald's, now celebrating its 30th anniversary, brought back the double cheeseburger systemwide for the duration of the celebration.

Contests . . .

Holding a contest is another way to draw attention to an upcoming anniversary. Hasenour's offered a Krugerand (a one-ounce gold coin from the Republic of South Africa) during its golden anniversary celebration. To enter the 50-day contest, patrons simply dropped their business cards into a bowl. Hasenour used two different bowls, one for lunch business and one for dinner. "This way we were able to create separate lunch and dinner mailing lists," he notes. "Now we have a 10,000-name mailing list, which we never had before. Since the anniversary, we have cross-merchandised—sending flyers about our dinner specials to our luncheon customers and vice versa."

During its 20th anniversary festivities, the Plaza III Restaurant located in Kansas City's exclusive Country Club Plaza and modelled after the architectural style of Seville, Spain, ran a contest to guess how many champagne corks were in a jug. The best guesser won an all-expense-paid trip to Spain.

Extended celebrations . . .

Some operators like to extend the anniversary festivities over a period of a week or more. Celebrating their 75th anniversary was a labor of love for the Grisanti family of Memphis, TN. Planning began a few years ago for the weeklong celebration.

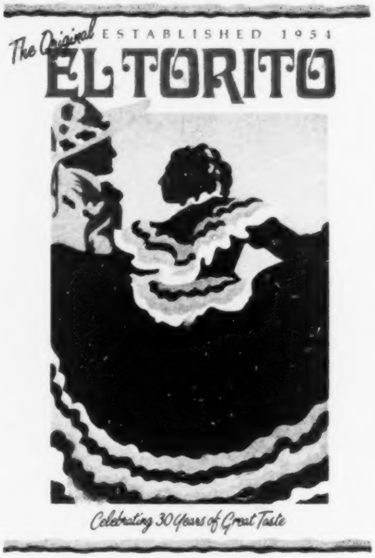
Festivities were kicked off on Sunday at a by-invitation-only cocktail party. Attendees included the mayor. Monday was memorabilia night. If guests brought an artifact from the Grisanti restaurant, such as old matchbooks or menus, they received a gift. For Tuesday's kids' night, the restaurant hired two clowns and bought helium balloons for all customers. Children were given goodie bags that included a Grisanti T-shirt and baseball cards. Wednesday night featured a price rollback to 1909, the year the restaurant was founded. On Thursday night any senior citizen accompanied by a relative was treated to a free dinner. On Friday night families were invited to have their picture taken with the Grisanti family. The finale on Saturday night was a traditional birthday party, complete with band and cakes, which were replicas of the original and newer Grisanti restaurants.

Throughout the week, Grisanti's gave free gifts to lunch patrons of area companies. All guests registered for a free trip to New York City.

Icing the week of planned activities for the restaurant was a $10,000 endowment to the Culinary Institute of America in Hyde Park, NY. "I couldn't think of a more fitting gift to commemorate our family's 75 years in the foodservice business than this," says Grisanti. Two members of the Grisanti family—Grisanti's daughter Dolores and her husband Peter Katsotis—took the two-year course in culinary arts at the institute and are now working at Grisanti's.

Month-by-month celebrations . . .

A novel extension of the weeklong celebration is the month-by-month celebration. "We didn't want to give away something to just one person, as in a contest. We wanted to do something of value for our regular, loyal customers," explains Jillian Okun, director of public relations for the Chicago Claim Company of Errant Enterprises in Chicago, IL, a group of three restaurants which rolled back prices one night a month over a nine-month period. They chose their typically slowest nights, usually a Monday or Tuesday. During the promotion, the three restaurants averaged a 79 percent increase in number of meals served over their normal weeknight business. One location increased business by 115 percent.



"One of the added benefits of the celebration," says Okun, "was that The Chicago Claim Company, which is famous for its Motherlode Hamburger, was able to draw attention to its other menu items. Many of our customers don't know us for anything else. With the reduced prices, however, we were able to introduce them to many of our more expensive menu items. They might not have sampled ribs at $10.95, but at $6.95 they were willing to try them and found they were excellent and a good value even at the higher price."

Off-premise activities . . .

Besides activities staged within the restaurant, several operators planned activities off premises. One such idea was the three-legs-in-a-dry-sack 50-yard "dash" created by L'Escargot (Chicago, IL) owner Alan Tutzer. "Our Dry Sack distributor had been wanting to do a promotion with us for a while," recalls Tutzer. "With the anniversary we finally thought of a tie-in, a fun three-legs race using burlap sacks like those on the Dry Sack bottles." Tutzer said he petitioned the alderman of his ward to close off the street in front of the Allerton Hotel, where L'Escargot is located, for the April race—from 1 p.m. to 3 p.m. The $25 entrance fee for the race was designated for the Cancer Research Foundation. "Coincidentally it turns out that April was Cancer Prevention Month, so the Cancer Foundation recognized the race in its publicity," adds Tutzer.

Other ideas . . .

Other ideas for anniversary celebrations include

- **a big party.** To celebrate his restaurant's 10th anniversary, Don Thompson, owner and operator of Poopsie's Restaurant in Pembroke, MA, hosted a 12-hour party from 1 p.m. to 1 a.m. "We had continuous entertainment, starting with a locally famous jazz singer in the afternoon, followed by a duet and a Dixieland band from nine till closing," recounts Thompson. "I gave away two 90-pound steamship rounds of beef. I had one fellow there all day carving. It was a give back for 10 great years."
- **a commemorative cookbook.** Hasenour's Restaurant in Louisville regularly contributes a column to the local newspaper on cooking tips and recipes. In honor of its 50th anniversary, the owners collected the recipes into a cookbook, which they then gave away during the anniversary celebration. Grisanti's also published a cookbook of interesting Italian recipes, including many of the dishes served in the restaurant.

1965 · T.G.I. FRIDAY'S · 1985

TWENTIETH ANNIVERSARY

- **sports tournaments.** Poopsie's Restaurant in Pembroke, MA, organized tournaments for golf and tennis. Owner Don Thompson ordered personalized ties, markers and hats for restaurant patrons who participated.
- **employee reunions.** Employee reunions can boost employee morale and create goodwill. Much of McDonald's 30th anniversary celebration is centered around employee recognition. "We figure over the years McDonald's has employed more than eight million people," says Terry Capatosto, media relations supervisor for McDonald's. "On January 21, 1985, we ran an ad in *The Wall Street Journal*, *USA Today* and many large city newspapers, asking former crew persons to send in an application. We received more than 75,000 applications. From those, we chose 17 people whom we flew to California for a taping of a commercial in recognition of former employees. We also did a hats-off recognition commercial for current crew members." In addition, individual McDonald's units are encouraged to create their own employee recognition programs.

Getting the word out . . .

Some restaurateurs arrange a press party to kick off their anniversary. The Plaza III's press party demonstrated how to open a bottle of champagne with a saber. "We had to arrange months in advance for champagne and cognac authority Robert Gourdin from Moet-Hennessy, France, to come," says Rob Baker of Plaza III. Goudin also built a 600-glass cascade of expensive champagne glasses for the press party. The Plaza III recieved good TV coverage.

T.G.I. Friday's, currently celebrating its 20th anniversary, didn't wait for the press to come to its door, but instead created two videos to distribute to the press as a part of its anniversary celebration. The one video, already mentioned, chronicled the making of Miami Chicken, a new Friday's product. The other 60-second video features Friday's President Daniel R. Scoggin speaking out on responsible drinking.

Hasenour, on the other hand, put up banners all over town (in laundries, bowling alleys and movies) to let everyone know it was the restaurant's 50th anniversary. The banners read, "Happy 50th Anniversary Hasenour's." He also gave radio stations the opportunity to give away free dinners at Hasenour's. "The announcers could use the dinners as prizes for any contest they might be running," says Hasenour. And they did.

Plan ahead . . .

Whatever the form of celebration, restaurateurs agree plenty of advance planning is required. "Our commemorative engraved beer steins took 12 to 15 weeks to be delivered," notes Don Thompson of Poopsie's Restaurant.

"We built in enough time to go to the courthouse, find my mom and dad's marriage license and have it reprinted on a placemat," recalls John Grisanti. ☐

T.G.I. Friday's non-alcoholic Flings

All Friday's Flings are blended and poured over ice in collins glasses.

Pineapple sunshine
2 oz. pineapple juice
1 oz. orange juice
½ oz. sweet and sour
½ oz. passion fruit syrup
top with 2 oz. lemon Calistoga water
garnish with a lemon squeeze

Golden lime
2 oz. lime mix
2 oz. sweet and sour
½ oz. simple syrup
top with 1 oz. lemon Calistoga and 1 oz. lime Calistoga
garnish with a lemon wheel and a lime wheel

November seabreeze
2 oz. cranberry juice
2 oz. apple juice
1 oz. lime mix
½ oz. simple syrup
top with 1 oz. lime Calistoga
garnish with a lime squeeze

Frozen ocean
2 oz. apple juice
2 oz. sweet and sour
top with 2 oz. lemon Calistoga
garnish with apple slice and lemon wheel

Strawberry surprise
1 oz. frozen strawberries
1 oz. papaya juice
2 oz. apple juice
top with club soda
garnish with a strawberry

THE BOARD ROOM

Balestreri gears up for busy year

NRA's Vice President and President-elect Ted J. Balestreri (Sardine Factory, Monterey, CA) geared up for a busy year at the helm of the foodservice industry's leading trade association in April by addressing two prominent foodservice associations.

In an address to members of the Oklahoma Restaurant Association on April 16, Balestreri discussed the progress of foodservice, demographics and trends fostering that growth, as well as challenges awaiting the industry in the near future.

"Foodservice has grown rapidly in the last decades," Balestreri said. "Foodservice currently receives 38 cents out of every consumer dollar spent on food, and NRA economists predict that figure will rise."

While pointing to demographic trends, like the maturation of the post World War II baby boom generation and the increasing number of single households and working women, Balestreri called the basic reason for foodservice's good fortune "our own good business sense and creativity."

"A great number of today's customers are concerned about nutrition," Balestreri said. "They want meals that are high in fiber and low in fat, sugar and salt. You might say that in response to consumer demand, we have created a new cuisine—poached chicken breast on a bed of papaya, avocado salad, whole wheat hamburger buns. We created these new items to fill a need, and we are prospering."

Ted Balestreri

"The industry is responding in the same way to the growing consumer interest in ethnic foods," Balestreri continued.

Balestreri also cited other examples of how operators are successfully meeting customer needs. Balestreri called government intervention in business "the greatest threat to our welfare today." Balestreri outlined the following issues on NRA's government relations calendar:

- any limit on the deductibility of business meals;
- the Targeted Jobs Tax Credit (TJTC) which allows employers a tax credit for hiring from underprivileged segments of the population;
- the Youth Differential Bill, which would permit employers to pay wages equal to 70 percent of the minimum wage to newly hired teenagers from May 1 to September 30;
- a limited ban on sulfites at the federal level; and
- support of the national campaign to reduce drunk driving while fighting hostile legislation that arises out of public concern.

On April 19, Balestreri addressed the International Military Club Executives Association.

Grisanti speaks out on alcohol awareness and bar sales

Michael J. Grisanti (Casa Grisanti, Inc., Louisville, KY), was the featured luncheon speaker at "On Premise '85," a conference on marketing alcoholic beverages to restaurants and bars. The conference was sponsored by *Restaurants & Institutions* at the Plaza Hotel in New York City on April 16, 1985.

Grisanti, NRA's treasurer-elect and chairman of the Task Force on Alcohol Awareness, discussed the problem of diminishing bar sales, burgeoning legislation aimed at stemming the sale and consumption of alcohol and NRA's efforts to reduce the incidence of alcohol-related traffic accidents without government regulation.

"Foodservice has grown rapidly in the last decade," Grisanti said. "We are no longer merely a luxury trade. We have become an essential part of America's food distribution system. The one major area of concern is, of course, the area we share. NRA members from all parts of the country report that bar sales are dropping.

He spoke of the association's three-pronged alcohol awareness program, that was introduced at the NRA Show last year. "There are many benefits to be derived from this program," he observed. "It allows restaurateurs to act responsibly in regard to drunk driving and still demonstrate their conviction that the ultimate responsibility for moderate consumption lies with the consumer. It allows us to regulate our own alcoholic beverage sales and thereby reduce the pressure to regulate the industry further. It allows our members to introduce prudent in-house practices, which can be cited in a court of law if necessary, and it helps them to create an atmosphere in which responsible drinkers will feel that they can consume a moderate amount of alcohol before driving or being driven home."

Michael Grisanti

Grisanti linked the decline in bar sales to a general concern about drunk driving, reaffirmed NRA's commitment to heighten alcohol awareness throughout the industry and nation and spoke of misguided legislation that depressed bar sales without reducing drunk driving. "There are too many alcohol-related traffic fatalities in this country," Grisanti said, "and we are committed to doing our part to reduce this number. Unfortunately, it is the responsible citizen who tends to react to the widespread warnings about the dangers of drinking and driving."

—Dorothy Dee

TO YOUR HEALTH

New FDA regulations for sodium labeling

There was a time in French history when salt was so highly regarded that a dinner without it was described as a diabolic banquet or witches' supper. Salt, once the single most important commodity of world commerce, has fallen from favor in modern society. *The 1984 Annual Gallup Report on Eating Out* reflects this movement. Concern about salt has tripled during the past seven years, and restaurant patrons are more likely than ever to order low-salt meals.

Mounting interest in health and fitness is at the root of this trend. Excessive intakes of sodium are associated with high blood pressure. In turn, high blood pressure is a risk factor in the development of heart disease, kidney disease and stroke. About 40 percent of salt is sodium; the rest is chloride.

Although we need small amounts of sodium to regulate body fluids and maintain blood volume and pressure, it is required in quantities far less than we consume. Health professionals consider 1,100 to 3,300 mg. of sodium a day to be safe and adequate. The average daily American intake falls anywhere between 75 to 180 percent of the recommended upper limit.

Allowable sodium levels in descriptors . . .

Because of our excessive sodium consumption and because an estimated 60 million Americans suffer from hypertension, the Food and Drug Administration (FDA) has embarked on a sodium education program that includes new regulations concerning the sodium labeling of foods. Up until this point the rules governing label claims of sodium content have been loose; terms such as "low sodium" lacked definition. As of July 1985, any food that is labeled lower in sodium will be governed by strict regulations. These regulations, which dictate allowable sodium levels for commonly used descriptors, are:

- *Sodium free*—not more than 5 mg. per serving
- *Very low sodium*—not more than 35 mg. per serving
- *Low sodium*—140 mg. or less per serving
- *Reduced sodium*—75 percent lower than the usual sodium level and
- *Unsalted*—a product that's processed without the normally used salt.

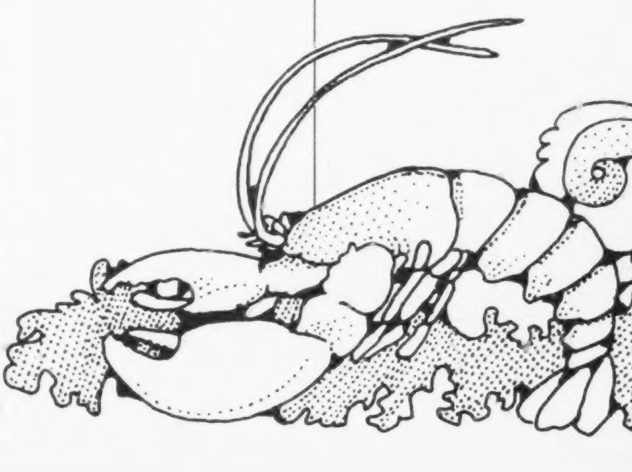
In addition, as of July 1, the amount of sodium per serving must be included on all nutrition-labeled foods. Currently the sodium content of food doesn't have to be included on the nutrition information panel. Nutrition information is mandatory when the processor adds nutrients to foods, such as fortified or enriched foods, or if a nutritional claim is made, such as a product has "reduced calories." About 40 percent of processed foods now have nutrition information because many manufacturers voluntarily include it as a consumer service. This sodium information should make it easier for concerned consumers to regulate their sodium intakes.

Government education continues . . .

The government will continue its education efforts in this area. Its thrust until now was to alert the public to the hazards of too much salt. And it has been successful. By late 1982, four out of 10 adults said they were trying to cut down on salt or sodium. Future government education programs will concentrate on teaching consumers how to control the amount of sodium in their diets. Both the FDA and the Department of Agriculture will continue to use posters, pamphlets and radio and television ads to deliver this message.

The food industry, too, has responded. An increasing number of unsalted and lower-sodium foods are being marketed. It's no longer surprising to see bags of unsalted potato chips on the grocery shelf next to the traditional salty varieties. The unsalted offerings range from low-sodium canned soups to unsalted nuts. Low sodium versions of house brands are also beginning to emerge.

This trend of lowering sodium in processed foods is likely to continue, but it is slow in coming. Salt is one of the most commonly used food additives. In some cases, as in bread production, its presence profoundly affects the texture of the product. But in most instances salt is added to satisfy buyers who are accustomed to the taste. Yet, if the concern over sodium remains an issue, manufacturers will have no choice but to gradually reduce the amount of salt used in processing and wean the public from its habit.



Sodium content of some commonly used foods

Keep in mind the recommended daily range for sodium intake is 1100 to 3300 mg.

Food	Amount	Mg. of sodium
Seasonings		
Salt	1 teaspoon	1,955
Mustard		
Dried	1 teaspoon	trace
Prepared	1 teaspoon	65
Soy sauce	1 tablespoon	858
Tabasco sauce	1 teaspoon	22
Chicken stock		
Canned, ready-to-use	1 cup	737
Homemade (no added salt)	1 cup	120
Instant, dried powder	1 tablespoon	2,431
Pork		
Cured ham	6 ounces	1,565
Loin chop	6 ounces	103
Seafood		
Haddock	6 ounces	168
Shrimp	6 ounces	190
Lobster	6 ounces	507
Cheese		
Blue	1 ounce	390
Mozzarella	1 ounce	104
Grated Parmesan	1 ounce (5½ tablespoons)	521
Salad dressing		
French, commercial	1 tablespoon	192
French, homemade	1 tablespoon	92
Oil and vinegar	1 tablespoon	0
Vegetables		
Green beans		
Fresh	1 cup	7
Canned	1 cup	295
Peas		
Fresh	¾ cup	2
Frozen	¾ cup	115
Canned	¾ cup	236
Potato		
Baked	1 medium	3
Unsalted french fries	10 pieces	3
Hash browns	½ cup	288
Mashed from dehydrated	1 cup	491
Desserts		
Fresh strawberries	10 large	1
Strawberry pie	1 piece	227
Melon balls	1 cup	21
Carrot cake with cream cheese icing	1 small piece	123

Cooking pointers for salt-sensitive patrons . . .

As a result of increased sodium awareness, you may notice more questions about the use of salt in your cooking and may receive requests for lower sodium items. Sodium does occur naturally in some foods, most noticeably in milk, meats and some seafoods. So no one can produce a totally sodium free, well-balanced meal. With the following points in mind, you'll be able to satisfy your patrons who are concerned about sodium.

- The fresher, the better is the basic rule of thumb when the culinary goal is to lower sodium levels. Fresh vegetables, soups and stocks all have far less sodium than their canned or dried counterparts.
- Cook without salt if your patrons request it. In most recipes salt is included merely for flavor and omitting it won't drastically affect the outcome of the recipe.
- If you are concerned that cooking without salt will leave your dishes flat, try adding herbs and spices. A multitude of new and appealing flavor combinations can be created. For more information, see ***NRA NEWS***, March 1985.
- Avoid the not-so-obvious salty foods when trying to reduce the sodium content of your recipes. Cheeses; tomato paste; bread crumbs; prepared mustard; baking powder; baking soda; and barbecue, Worchestershire and soy sauces are a few examples.
- If you want ideas in low-sodium recipes, turn to the good, low-sodium cookbooks on the market. They range from gourmet to home-style recipes.
- Most institutional food suppliers carry lower-sodium, prepared foods, such as soup bases. Ask your purveyor what's available.
- If you're going to make the effort to reduce your salt levels, tell your customers. You can indicate low-sodium items on your menu or have your wait staff inform patrons at the table.
- Don't use the FDA descriptors unless you are certain that the sodium content of your dish meets the defined levels. Terms such as "lower in sodium" or "prepared without added salt" can work just as well.

—Claire Regan, R.D.

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Fisher's Law #63

An allegory

Dear child,

Today you are leaving home to make your way in the world as your own person. As this may be one of our last opportunities to capture your full attention (you will be wrapped up in your own responsibilities in the future), we would like to say some things to you. They are a summary of much of what we have given you over the years in terms of values and perspectives by which you will govern your life.

Although this marks the day of your departure, you are not moving out so much as you are moving on and, hopefully, moving up. You are stepping into your future, and you should do so directly, shoulders square, with confidence and with clear vision. It is dangerous to step ahead while looking back. Remember the past, profit from it as applicable, but enter the future by looking forward and moving upward.

As you proceed through life, always be clear-headed, stay totally alert and maintain quick reflexes, both mental and physical. Don't be foolish enough to put yourself in a position where your mind turns foggy or you are unable to maintain full control of yourself. Your health is your most prized possession, followed by your own family and then your livelihood. You are no good to your family or your business and industry if you allow your health to be impaired. Keep these priorities straight.

Your "real" learning about life is just about to begin. Yes, you are "book smart," but you also need to be "street smart." Experience will be your teacher, and accomplishment will be your judge from now on. Some of your experiences will be happy, some will not. Things generally balance out in that regard in the course of life. Accept the happy ones for what they are; but do so maturely, with dignity and with a measure of gratitude for your good fortune. Accept the difficult circumstances for what they are: tests of your will, your resolve, your spirit, your perseverance, your buoyancy, your self-respect. Don't let difficult circumstances defeat you. Rise above them. Control your own life: Be the director of your fate, the artist of your destiny. The sun rises every morning, no matter how dark the night. Some of your accomplishments will be large; others will be small. But the important thing is that they are yours. Be proud of them, but don't be content with them. You are capable of doing more and should strive to maximize your potential.

We hope that you will be honest in every aspect of your life; in your relationships with people, in money and property matters and, most of all, with yourself. There is no greater deception than self-deception. Centuries ago, a fellow named Shakespeare summed it up quite well, "This above all: to thine own self be true." That way, you will rest easy at night. Make decisions with your mind and not your heart. Be compassionate, but don't be "soft." Be objective, but don't be "hard."

In both your personal and professional life, set standards for yourself that are above those that others would set for you. It will serve you in good stead in everything you do.

There will be times in your life when you will feel frustrated and pressured. That's a normal reaction for a complex environment. Remember, however, that most times frustration and pressure are self-imposed. Don't become the victim of tension. Use it as a spur to greater achievement. Stability is an admirable trait; and when you are in adverse situations with other people who may react emotionally and irrationally, you will need to be the calming influence to bring conditions to a satisfactory state of affairs. Take your responsibilities seriously, but don't take yourself too seriously. Keep your sense of humor. Stay quick-witted, curious, keen and eager.

As you leave the comfort and security of home, more and more you will become a world citizen. You will meet people who do not have the same values you do. Respect their values, but command respect for yours as well by your being and by your example. Expect to make some tough judgment calls as you go through life; but if your basic fiber is resilient and you go with basic instincts, you'll get through alright.

When you encounter conditions in life that defy reason and explanation, don't be overwhelmed by them. Work to improve that which needs improvement, but remember that this can be done in large measure through self-actualization. Climb the mountain of your choice, swim the ocean of your desire, run the race at the pace you set for yourself. Fulfill the dream you want to fulfill. You are your own drummer.

At some point, perhaps when you are a little older and have a family of your own, you may reflect upon your own upbringing with a touch of melancholy. Depending on your economic situation, you may feel that you want to do something for your parents that expresses, tangibly, your gratitude. Don't! Pass forward to your own family that which you would consider for us. We will know when that is, and that is the very best thing you can ever do for us. That is our wish. Respect it.

We have given you roots, and now you have your wings. Our home is always open to you, but you should consider it now as a location for visits rather than a permanent refuge. You are on your own, but you are not alone. Your life will be what you make of it—nothing more, nothing less. If you are proud of it, we will be proud of you.

One more thing needs to be said. We love you. We always have. We always will!

—Your parents

***Fisher's 63rd Law:* When it comes time to depart, whether it is individually initiated or organizationally determined, do it with class.**

Mexican restaurants—hotter than ever

Mexican restaurants have become one of the hottest segments in the foodservice industry. Between 1977 and 1984, Mexican restaurant traffic jumped 65 percent, substantially above the 10 percent average gain posted by all types of restaurants. Mexican restaurant sales skyrocketed 191 percent during the same period, dramatically outpacing the 80 percent increase for all restaurants. The number of Mexican restaurants has increased significantly, and this has helped spur the segment's growth. One portion of the market, the franchise sector, has experienced tremendous gains. In 1983, 39 firms operated Mexican franchise restaurants versus only 14 firms in 1973. By 1985, the Mexican franchise sector should include 4,228 units and reach $2.2 billion in sales, up from 1,030 units and only $138 million in sales in 1973.

A major factor fueling this impressive growth has been consumers' growing interest in ethnic foods. More than a third of the respondents in NRA's *Consumer Preferences for Ethnic Foods in Restaurants* study said they are currently eating more ethnic food in restaurants than they did three years ago. Mexican food is one of the top choices. One-fifth reported that Mexican food was their favorite ethnic food and an impressive four in 10 said they ordered Mexican food at least once a month.

Mexican restaurant sales and traffic should continue to grow since consumer interest in ethnic foods seems far from satisfied. Almost half the respondents in NRA's ethnic food study strongly agreed that they would try more ethnic dishes if they were available at restaurants. And over a third strongly agreed they enjoyed hot and spicy dishes—a Mexican specialty.

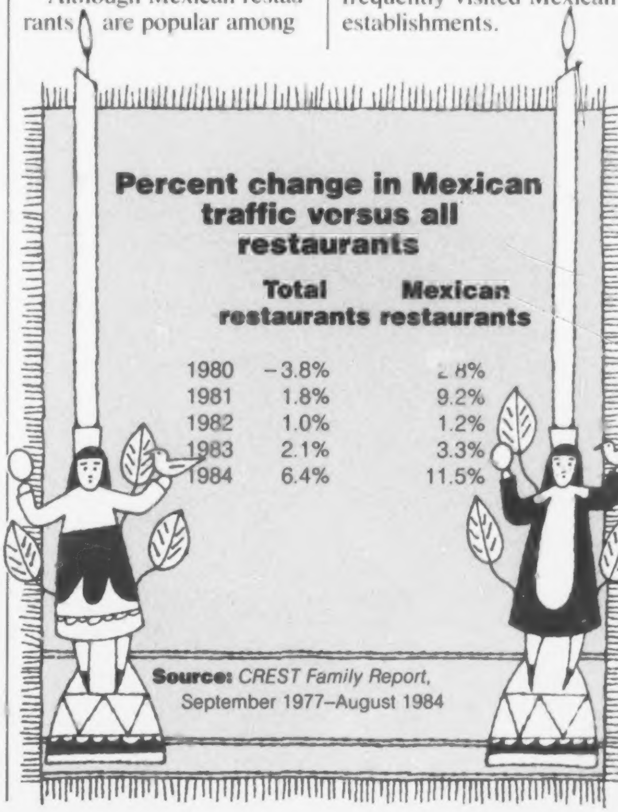
This article highlights various aspects of the Mexican restaurant market. It should provide useful information for Mexican restaurant operators as well as restaurateurs who currently offer or plan to add Mexican food items to their menus.

Who dines at Mexican restaurants? . . .

Although Mexican restaurants are popular among many Americans, certain customers are more frequent visitors than others. NRA's *Consumer Preferences for Ethnic Foods in Restaurants* study points out the consumer groups that are most apt to frequently visit (at least once a month) Mexican restaurants.

For instance, a large proportion of men—45 percent—said they dined at Mexican restaurants one or more times a month. This compares with a smaller 36 percent of female respondents.

Among the age groups, younger consumers are the most frequent visitors. More than half the 18 to 24-year-olds and more than four in 10 of the 25 to 34-year-old group reported dining at Mexican restaurants at least once a month. In comparison, only 37 percent of the 35 to 54-year-old segment and a small 26 percent of respondents over 55 years of age indicated they frequently visited Mexican establishments.



Percent change in Mexican traffic versus all restaurants

	Total restaurants	Mexican restaurants
1980	−3.8%	2.8%
1981	1.8%	9.2%
1982	1.0%	1.2%
1983	2.1%	3.3%
1984	6.4%	11.5%

Source: *CREST Family Report,* September 1977–August 1984

Single and two-person households are also loyal Mexican patrons. More than half the single respondents and more than four in 10 two-person householders said they dined at Mexican restaurants one or more times a month. This compares with a smaller 36 percent of three-person households and 38 percent of households with four or more members.

Upper income groups are also Mexican restaurant fans. Almost half the respondents earning more than $35,000 a year reported visiting Mexican restaurants one or more times a month. On the other hand, only one in three patrons with incomes under $15,000 a year dine at Mexican restaurants as often.

Two other groups that visit Mexican establishments more frequently than average are working women (more than four in 10 visit Mexican restaurants at least once a month) and households with teenagers (43 percent).

Consumers who generally dine out frequently are also frequent Mexican restaurant customers. For instance, a substantial 61 percent of respondents who average 11 or more restaurant visits a month dine at Mexican establishments at least once a month. Over half the customers who dine out between six and 10 times a month also visit Mexican restaurants regularly. In comparison, infrequent restaurant patrons who dine out only once or twice a month are less apt to choose Mexican restaurants—only 26 percent of this group reported visiting Mexican restaurants at least once a month.

Mexican restaurants should enjoy continued growth since several of the customer groups that frequently patronize them are expected to experience sub-

Proportion of respondents who visit Mexican restaurants one or more times a month

Sex	Men	44.6%
	Women	36.2%
Age	18 to 24	52.0%
	25 to 34	43.6%
	35 to 54	36.9%
	55 and over	26.4%
Household size	One	50.6%
	Two	42.5%
	Three	36.5%
	Four or more	37.8%
Income	Under $15,000	31.5%
	$15,000–$24,999	36.2%
	$25,000–$34,999	44.8%
	$35,000 and over	48.1%
Monthly visits to all restaurants	One to two	26.0%
	Three to five	31.4%
	Six to ten	54.4%
	Eleven or more	60.8%

Source: *Consumer Preferences for Ethnic Foods in Restaurants*, NRA, March 1984

stantial growth. For instance, working women, singles, baby boomers and households earning more than $35,000 a year are projected to be some of the fastest growing demographic segments of the decade.

Where do Mexican restaurant patrons dine? . . .

Quickservice Mexican restaurants capture the lion's share of Mexican restaurant traffic. According to the *CREST Household Report*, Mexican fast food establishments accounted for a whopping 58 percent of overall Mexican restaurant traffic in 1984. This sector also represented 37 percent of total Mexican sales.

Midscale Mexican operations comprised a smaller 19 percent of Mexican restaurant traffic and more than a fifth of overall sales.

Upscale Mexican establishments accounted for almost a quarter of the segment's customer visits, and even more important, they captured the largest proportion of sales among Mexican restaurants—40 percent.

When do customers dine at Mexican restaurants?...

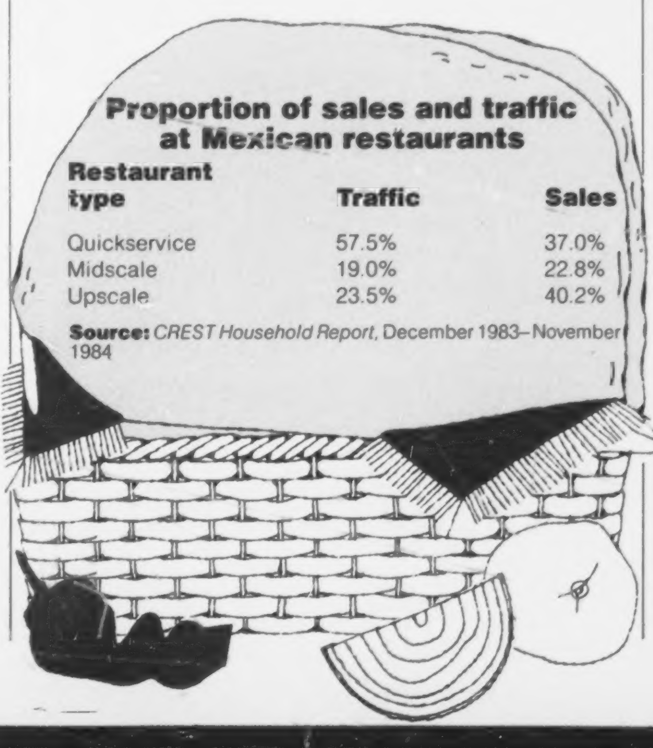
Customers choose different restaurants for a variety of reasons, depending on the occasion and the meal period. For instance, quick service and convenience are probably among the top reasons patrons choose Mexican fast food restaurants. Not surprisingly, lunch accounts for the largest proportion of customer traffic at these establishments—about half. Snacks also comprise a comparatively large portion of traffic—nine percent. Four in 10 patrons visit quickservice Mexican restaurants for dinner but only one percent for breakfast.

According to NRA's *Study of Consumer Restaurant Behavior Using the Occasion Segmentation Approach*, many customers visit full service Mexican restaurants for a family meal, a special night out or for social fun. This is reflected in the large number of customers who visit midscale and upscale Mexican establishments for dinner. Dinner accounts for 58 percent of occasions at midscale Mexican restaurants and an even higher 66 percent of upscale Mexican visits. A contributing factor is that 42 percent of the traffic at midscale and upscale Mexican restaurants occurs on Friday and Saturday—the most popular days for eating dinner out.

Lunch accounts for a larger portion of the traffic at midscale Mexican restaurants (39 percent) than at upscale Mexican outlets (30 percent). Snacks and breakfast both comprise small portions of the overall traffic at these establishments.

What Mexican foods are most popular? . . .

A recent Gallup survey asked customers to identify the items they would most likely order from a menu composed of common and uncommon Mexican foods. Not surprisingly, the most popular main dish was tacos—crispy tortillas served with a choice of stuffing. More than four in 10 respondents said they were likely to order the item. Enchiladas (soft corn tortillas with a choice of stuffing and sauce, topped with melted cheese) captured the number two spot with 37 percent of the votes. Burritos (corn or flour tortillas stuffed with various fillings) were mentioned by 35 percent and tostados (crispy flat tortillas with a choice of stuffings, served with lettuce, sauce and cheese) were mentioned by 26 percent. Less



Proportion of sales and traffic at Mexican restaurants

Restaurant type	Traffic	Sales
Quickservice	57.5%	37.0%
Midscale	19.0%	22.8%
Upscale	23.5%	40.2%

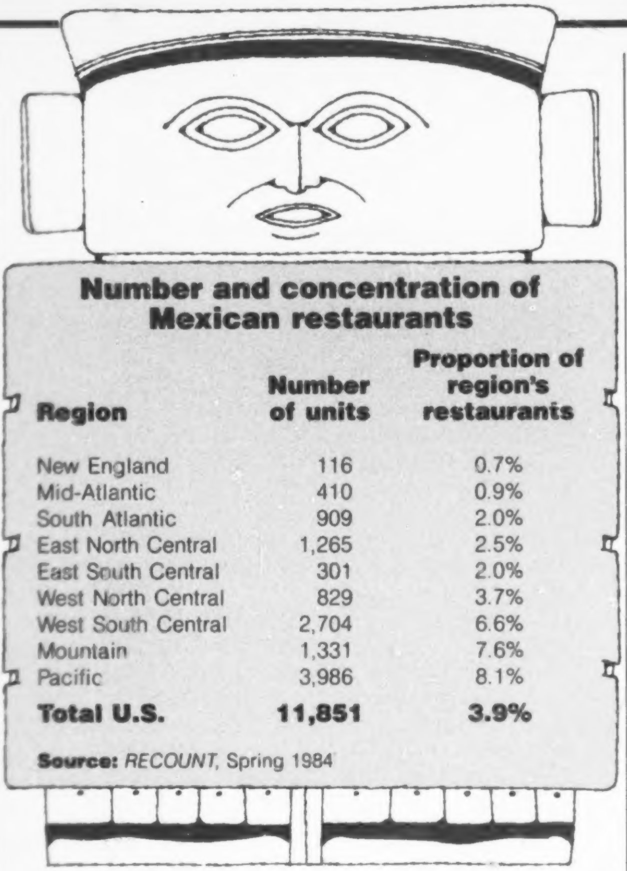
Source: *CREST Household Report*, December 1983–November 1984 popular main dishes included tamales (masa or cornmeal filled with beef, wrapped in cornhusks and steamed) with 18 percent saying they were likely to order the dish, chili rellenos (sweet red pepper stuffed with cheese, beef or chicken) with 16 percent, and flautas (long, crispy tortillas with choice of beef, chicken or cheese) mentioned by one in 10 respondents.

Among the listed side dishes, Spanish rice was most frequently mentioned, with more than one in three customers saying they were very likely to order the dish. Refried beans and guacamole were chosen by 28 percent and 22 percent, respectively. A more unusual item, nopalitos (pickled cactus salad), was listed by very few respondents.

Chili salsa was easily the most popular sauce in the survey—one in five patrons said they would order the spicy hot sauce. Salsa verde (a piquant sauce of imported chiles and green sauce) was mentioned by one in 10, and only four percent said they would order salsa mole (a blend of Mexican chocolate, nutmeats, peppers and spices).

The number of restaurants that serve various Mexican items probably has some effect on customer preferences. Often patrons order items they are most familiar with. Looking at *Restaurants & Institutions'* "1984 Menu Census" shows some of the Mexican items that are offered by a large number of restaurants. For instance, among the Mexican foods included in the study, nachos are served by the largest proportion of establishments—23 percent. Taco salads and tortilla chips are also popular menu items—one in five restaurants serve them. Tacos and burritos round out the top five Mexican items and are offered by 17 percent and 16 percent, respectively, of the surveyed restaurants. Enchiladas, guacamole and gazpacho (cold, spicy soup) are served in approximately 13 percent of all restaurants, while salsa, chili rellenos and tostados are offered by one in 10.

Some Mexican items, particularly appetizers, have experienced a tremendous surge of popularity during the last couple of years. For instance, nachos were listed as good selling items by 15 percent of respondents in the "1983 Menu Census." By 1985, the proportion had jumped to 28 percent. Salsa has also become a "hot" item. In 1985, 15 percent of the restaurateurs reported it as a good seller, up significantly from five percent two years earlier. Guacamole is now listed as a good selling item by 12 percent of the respondents, up from seven percent in 1983. These increases reflect the growing popularity of Mexican items as well as the increasing number of non-Mexican restaurants catering to customers' desire for spicy, ethnic foods.



Number and concentration of Mexican restaurants

Region	Number of units	Proportion of region's restaurants
New England	116	0.7%
Mid-Atlantic	410	0.9%
South Atlantic	909	2.0%
East North Central	1,265	2.5%
East South Central	301	2.0%
West North Central	829	3.7%
West South Central	2,704	6.6%
Mountain	1,331	7.6%
Pacific	3,986	8.1%
Total U.S.	**11,851**	**3.9%**

Source: *RECOUNT*, Spring 1984

Where are Mexican restaurants located? . . .

Mexican restaurants are most prevalent in the western part of the country. According to the 1984 *RECOUNT* study, two-thirds of the nation's Mexican restaurants are located in the West South Central, Mountain and Pacific regions. These areas also enjoy a larger concentration of Mexican restaurants than do other regions. For instance, Mexican establishments account for eight percent of total restaurants in the Pacific region—substantially above the 3.9 percent average reported for the U.S. as a whole. In the Mountain region Mexican operations make up 7.6 percent of the restaurants, and the West South Central region reports 6.6 percent of its restaurants are Mexican. The large proportion of Mexican restaurants in the

Customer mix varies among different restaurant types

The following highlights the customer groups who make up an above average proportion of the patrons at the three major Mexican restaurant types—quickservice, midscale and upscale.

Quickservice
- large households with three or more members
- households with incomes under $20,000 a year
- customers less than 35 years old
- patrons dining with children less than 12 years old
- households with one employed spouse

Midscale
- singles
- three and four person households
- households with incomes between $15,000 and $30,000
- patrons more than 34 years old
- two-income households
- customers dining with children less than 12 years old

Upscale
- singles and two-person households
- households with incomes over $30,000 a year
- customers between 25 and 64 years of age
- unmarried employed patrons
- adults dining without children

Source: *CREST Household Report*, November 1983-December 1984

West reflects neighboring Mexico's influence and the popularity of Mexican-based cuisine. According to a recent Gallup study, 35 percent of the surveyed Westerners said Mexican was their favorite ethnic food—the largest percentage among respondents.

Further east, Mexican restaurants account for a smaller proportion of the establishments in a region. For instance, Mexican restaurants make up less than one percent of the eating places in New England and in the Mid-Atlantic states. The proportion of eastern consumers who prefer Mexican food above other ethnic specialties is also small—four percent.

Mexican outlook remains strong . . .

The Mexican segment should enjoy continued growth for a variety of reasons. Some of these include:

- *Demographics:* Some of the top Mexican restaurant customer segments are among the fastest growing demographic groups.
- *Occasion mix:* Mexican restaurants appeal to a wide variety of customers and offer a comfortable atmosphere for families as well as special occasions.
- *Price/value:* Mexican establishments often offer a good price/value, which appeals to many consumers.
- *Growing interest in ethnic foods:* An increasing number of Americans are enjoying the variety and different taste sensations that ethnic foods offer.
- *Geographic opportunities:* Although Mexican restaurants are highly concentrated in the West, opportunities for expansion exist in the East.

Eating place sales rise fastest in the South and West

All nine census regions made significant gains in eating place sales between 1977 and 1982, with especially impressive advances posted in the southern and western states, according to the *1982 Census of Retail Trade*. Total U.S. eating place sales reached $93.2 billion in 1982, up 71.0 percent from 1977.

This article highlights eating place sales and number of establishments for all 50 states plus the District of Columbia as well as the major regions of the country. Information for per capita sales and population per establishment for full service and fast food restaurants has also been compiled and is available from NRA's Research Department. This report may be useful to restaurateurs who wish to compare their own sales growth with that of all restaurants in their state.*

The eating place sales and establishment data presented here are for restaurants and lunchrooms (outlets which offer table service), refreshment places (limited menu, fast food establishments which generally do not offer table service), cafeterias and other types of establishments (contract feeders as well as ice cream and frozen custard stands). In addition, the statistics shown here are for eating places with payroll only and do not include "mom and pop" operations having no paid employees.

Overall eating place sales and establishments on the rise . . .

Eating place sales in the United States reached $93.2 billion in 1982, up a substantial 71.0 percent from 1977 sales of $54.5 billion. This represents an average annual gain of 11.3 percent. With menu prices rising 8.9 percent per year during the five-year period, real eating place sales (adjusted for inflation) posted a 2.4 percent average yearly increase.

Of the nine census regions, the Pacific region recorded the highest overall eating place sales in 1982—$16.9 billion versus sales of $9.7 billion in 1977. This represents an 11.8 percent average annual increase in sales. In second place was the East North Central region, which recorded eating place sales of $16.0 billion. The South Atlantic states followed with sales of $15.4 billion in 1982. The fastest growth rate in eating place sales was in the West South Central region—up a whopping 101.8 percent between 1977 and 1982. The Mountain region recorded the next highest advance of 86.0 percent, while the South Atlantic region came in a close third with a gain of 81.6 percent.

In 1982, the number of eating place establishments in the U.S. totaled 258,584 units—up from 238,583 units in 1977. The East North Central region had more eating place establishments than any other region—45,410 units, compared to 43,516 units in 1977. The Pacific states with 41,901 units had the second largest amount. The South Atlantic region also recorded an impressive 40,295 units in 1982, compared with 35,511 units in 1977.

Between 1977 and 1982, the number of eating place units grew at the fastest rate in the Pacific region—15.7 percent. The Mountain states (up 15.5 percent) and the South Atlantic region (up 13.5 percent) also posted significant gains in the number of eating place establishments.

Per capita sales up in 1982 . . .

In 1982, total U.S. per capita sales at restaurants, lunchrooms and refreshment places nearly doubled 1977 levels. Per capita sales at restaurants and lunchrooms totaled $203 a person in 1982 compared with $130 in 1977. Per capita limited menu sales also made a substantial advance from $89 per person in 1977 to $154 in 1982.

In addition, the number of patrons for each restaurant and lunchroom establishment in the nation grew from 1,846 in 1977 to 1,887 people per unit in 1982. This reflects that the population grew at a faster pace than the number of restaurant and lunchroom units. However, the number of patrons per fast food unit fell during this five-year period from 2,363 people per unit in 1977 to 2,120 in 1982, reflecting the fact that unit growth outpaced population growth.

—Susan Adelman

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* NRA's research and information service department has additional information from the 1982 Census for each of the 50 states, including restaurant sales, number of units and number of employees for cities, counties and metropolitan areas. Revised information from the *1977 Census of Retail Trade* is also available. You can get this information by writing NRA's research department in Washington, DC.

Eating place sales by region and restaurant type (1977 and 1982)

Region	Number of establishments 1982	Percent change 1977–1982	Sales (000) 1982	Percent change 1977–1982	Avg. annual increase in sales
New England					
Restaurants & lunchrooms	8,239	11.1%	$ 3,242,887	82.9%	12.8%
Refreshment places	5,456	5.4	1,553,523	69.7	11.2
Cafeterias	345	(7.0)	52,788	18.2	3.4
Other	1,760	(3.9)	630,007	42.1	7.3
Total	*15,800*	*6.8%*	*$ 5,479,205*	*72.5%*	*11.5%*
Middle Atlantic					
Restaurants & lunchrooms	19,867	(1.5)%	$ 7,230,240	58.0%	9.6%
Refreshment places	14,551	10.4	3,973,285	60.4	9.9
Cafeterias	645	(28.6)	184,339	16.2	3.0
Other	4,368	(2.4)	1,730,190	60.5	9.9
Total	*39,431*	*1.8%*	*$13,118,054*	*58.2%*	*9.7%*
East North Central					
Restaurants & lunchrooms	21,441	(0.2)%	$ 8,030,693	49.0%	8.3%
Refreshment places	18,980	13.3	6,422,660	67.4	10.9
Cafeterias	816	(20.8)	336,623	26.5	4.8
Other	4,173	(1.6)	1,164,610	36.5	6.4
Total	*45,410*	*4.4%*	*$15,954,586*	*54.2%*	*9.1%*
West North Central*					
Restaurants & lunchrooms	10,237	(2.7)%	$ 3,145,904	50.8%	8.6%
Refreshment places	8,531	15.5	2,562,602	75.9	11.9
Cafeterias	477	(15.1)	185,289	39.7	6.9
Other	1,505	9.3	376,738	63.0	10.3
Total	*20,750*	*4.5%*	*$ 6,270,533*	*60.5%*	*9.9%*
South Atlantic*					
Restaurants & lunchrooms	18,374	8.4%	$ 7,080,154	76.0%	12.0%
Refreshment places	18,035	23.0	6,599,086	93.4	14.1
Cafeterias	1,114	(17.0)	600,198	46.7	8.0
Other	2,772	7.8	1,151,696	75.3	11.9
Total	*40,295*	*13.5%*	*$15,431,134*	*81.6%*	*12.7%*
East South Central					
Restaurants & lunchrooms	5,321	(9.1)%	$ 1,645,950	51.4%	8.7%
Refreshment places	6,476	17.8	2,267,147	88.5	13.5
Cafeterias	411	(21.4)	188,722	51.7	8.7
Other	880	4.6	257,787	44.0	7.6
Total	*13,088*	*2.9%*	*$ 4,359,606*	*68.1%*	*11.0%*
West South Central					
Restaurants & lunchrooms	10,898	2.5%	$ 4,230,007	96.0%	14.4%
Refreshment places	13,487	19.3	4,589,409	107.5	15.7
Cafeterias	924	(0.6)	685,718	81.4	12.6
Other	1,575	15.0	837,919	121.7	17.2
Total	*26,884*	*10.9%*	*$10,343,053*	*101.8%*	*15.1%*
Mountain					
Restaurants & lunchrooms	7,592	8.0%	$ 2,895,972	79.1%	12.4%
Refreshment places	6,235	26.1	1,906,754	98.7	14.7
Cafeterias	330	(7.8)	172,343	76.6	12.1
Other	868	29.2	350,034	85.7	13.2
Total	*15,025*	*15.5%*	*$ 5,325,103*	*86.0%*	*13.3%*
Pacific					
Restaurants & lunchrooms	20,882	10.0%	$ 9,633,713	66.4%	10.7%
Refreshment places	17,602	24.9	5,803,227	86.4	13.3
Cafeterias	967	(5.5)	334,740	46.0	7.9
Other	2,450	16.6	1,105,330	104.1	15.4
Total	*41,901*	*15.7%*	*$16,877,010*	*74.5%*	*11.8%*
All regions					
Restaurants & lunchrooms	122,851	3.2%	$47,135,520	65.4%	10.6%
Refreshment places	109,353	17.6	35,677,693	82.2	12.7
Cafeterias	6,029	(14.4)	2,740,760	48.9	8.2
Other	20,351	4.4	2,604,311	67.1	10.8
Total	**258,584**	**8.4%**	**$93,158,284**	**71.0%**	**11.3%**

**The 1977 sales data for cafeterias and other eating places was not reported for North Dakota in the West North Central region and Delaware in the South Atlantic region. Thus, the change in sales may be somewhat higher or lower for these regions, depending on the actual sales figures for these states.*

Source: *1982 Census of Retail Trade*, Bureau of Census, U.S. Department of Commerce.

Eating place sales by state and restaurant type (1977 and 1982)

Region	Number of establishments 1982	Percent change 1977–1982	Sales (000) 1982	Percent change 1977–1982	Average annual increase in sales
NEW ENGLAND					
Connecticut					
Restaurants & lunchrooms	1,953	11.5%	$744,923	83.5%	12.9%
Refreshment places	1,317	7.3	390,326	66.1	10.7
Cafeterias	90	(5.3)	10,182	(20.0)	(4.5)
Other	514	(0.4)	162,507	30.2	5.4
Maine					
Restaurants & lunchrooms	831	9.5%	$226,487	64.6%	10.5%
Refreshment places	527	1.9	140,988	64.6	10.5
Cafeterias	26	(23.5)	3,020	24.1	4.4
Other	147	10.5	26,838	58.3	9.6
Massachusetts					
Restaurants & lunchrooms	3,547	12.8%	$1,677,185	89.1%	13.6%
Refreshment places	2,535	2.9	746,982	72.5	11.5
Cafeterias	165	(1.8)	27,327	35.5	6.3
Other	814	(12.7)	359,923	45.5	7.8
New Hampshire					
Restaurants & lunchrooms	743	5.7%	$255,366	79.1%	12.4%
Refreshment places	409	0.2	115,527	57.1	9.5
Cafeterias	38	(2.6)	6,094	102.3	15.1
Other	127	33.7	30,238	71.4	11.4
Rhode Island					
Restaurants & lunchrooms	680	9.7%	$214,318	66.4%	10.7%
Refreshment places	442	17.9	107,089	77.8	12.2
Cafeterias	19	26.7	4,272	75.3	11.9
Other	97	5.8	31,499	31.2	5.6
Vermont					
Restaurants & lunchrooms	485	10.0%	$124,608	76.2%	12.0%
Refreshment places	226	22.8	52,611	89.4	13.6
Cafeterias	7	(65.0)	1,893	(51.4)	(13.5)
Other	61	17.3	19,002	50.2	8.5
MIDDLE ATLANTIC					
New Jersey					
Restaurants & lunchrooms	3,630	2.6%	$1,506,008	61.3%	10.0%
Refreshmont places	2,939	10.1	805,442	59.0	9.7
Cafeterias	122	(22.3)	36,478	41.7	7.2
Other	966	3.1	341,616	72.8	11.6
New York					
Restaurants & lunchrooms	10,684	(2.8)%	$3,760,589	57.2%	9.5%
Refreshment places	6,958	8.6	1,798,735	55.6	9.2
Cafeterias	344	(24.9)	93,049	21.4	4.0
Other	2,121	(6.2)	974,432	58.0	9.6
Pennsylvania					
Restaurants & lunchrooms	5,553	(1.5)%	$1,963,643	57.1%	9.5%
Refreshment places	4,654	13.3	1,369,108	68.0	10.9
Cafeterias	179	(38.1)	54,812	(2.6)	(0.5)
Other	1,281	(0.2)	414,142	57.1	9.5
EAST NORTH CENTRAL					
Illinois					
Restaurants & lunchrooms	5,945	(1.6)%	$2,340,689	45.4%	7.8%
Refreshment places	5,152	10.5	1,768,720	60.0	9.9
Cafeterias	188	(30.1)	65,438	6.0	1.2
Other	1,170	(3.9)	393,415	31.7	5.7
Indiana					
Restaurants & lunchrooms	2,705	1.4%	$912,029	55.4%	9.2%
Refreshment places	2,800	12.4	969,389	70.4	11.2
Cafeterias	214	(18.0)	101,527	56.9	9.4
Other	494	4.4	113,934	36.2	6.4
Michigan					
Restaurants & lunchrooms	4,507	(1.4)%	$1,746,595	45.7%	7.8%
Refreshment places	3,779	13.8	1,281,013	65.3	10.6
Cafeterias	129	(35.5)	54,776	(7.2)	(1.5)
Other	930	3.6	271,948	43.5	7.5
Ohio					
Restaurants & lunchrooms	4,928	(4.0)%	$1,971,958	50.2%	8.5%
Refreshment places	5,247	14.3	1,806,519	71.5	11.4
Cafeterias	222	(7.1)	97,650	38.9	6.8
Other	1,205	(6.2)	286,506	34.6	6.1

Chart continues . . .

Eating place sales by state and restaurant type (1977 and 1982)

Region	Number of establishments 1982	Percent change 1977–1982	Sales (000) 1982	Percent change 1977–1982	Average annual increase in sales
Wisconsin					
Restaurants & lunchrooms	3,356	5.0%	$1,059,422	55.8%	9.3%
Refreshment places	2,002	18.5	597,019	79.1	12.4
Cafeterias	63	3.3	17,232	66.7	10.8
Other	374	1.1	98,807	44.5	7.6
WEST NORTH CENTRAL					
Iowa					
Restaurants & lunchrooms	1,917	(3.4)%	$463,348	37.4%	6.6%
Refreshment places	1,465	10.3	404,921	72.8	11.6
Cafeterias	77	(24.5)	36,550	27.5	5.0
Other	281	22.2	48,873	61.1	10.0
Kansas					
Restaurants & lunchrooms	1,407	(5.7)%	$371,468	58.4%	9.6%
Refreshment places	1,418	8.6	433,532	72.6	11.5
Cafeterias	71	9.2	31,767	77.1	12.1
Other	205	20.6	45,665	34.7	6.1
Minnesota					
Restaurants & lunchrooms	2,386	1.5%	$925,919	60.8%	10.0%
Refreshment places	1,750	20.7	508,514	75.1	11.9
Cafeterias	63	(32.2)	15,954	20.7	3.8
Other	368	19.1	105,438	97.7	14.6
Missouri					
Restaurants & lunchrooms	2,546	(2.5)%	$832,753	49.3%	8.3%
Refreshment places	2,434	14.6	814,851	73.7	11.7
Cafeterias	198	(5.3)	76,362	28.6	5.2
Other	428	(1.6)	134,328	52.0	8.7
Nebraska					
Restaurants & lunchrooms	1,008	(2.4)%	$294,153	45.6%	7.8%
Refreshment places	819	24.8	233,845	78.4	12.3
Cafeterias	38	(20.8)	14,688	40.2	7.0
Other	124	(5.3)	25,310	36.2	6.4
*North Dakota**					
Restaurants & lunchrooms	445	(0.9)%	$125,986	51.0%	8.6%
Refreshment places	302	22.8	91,315	121.8	17.3
Cafeterias	15	(42.3)	4,415	N/A	N/A
Other	44	(8.3)	7,811	N/A	N/A
South Dakota					
Restaurants & lunchrooms	528	(12.4)%	$132,277	39.3%	6.9%
Refreshment places	343	22.1	75,624	89.9	13.7
Cafeterias	15	(21.0)	5,553	89.4	13.6
Other	55	1.8	9,313	39.3	6.9
SOUTH ATLANTIC					
*Delaware**					
Restaurants & lunchrooms	323	9.9%	$122,366	65.9%	10.7%
Refreshment places	282	13.7	100,879	80.7	12.6
Cafeterias	12	(45.4)	2,635	N/A	N/A
Other	56	(23.3)	15,281	N/A	N/A
District of Columbia					
Restaurants & lunchrooms	449	(3.4)%	$270,503	46.5%	7.9%
Refreshment places	327	4.5	127,650	62.2	10.2
Cafeterias	56	(16.4)	20,557	(4.4)	(1.0)
Other	132	9.1	100,247	55.2	9.2
Florida					
Restaurants & lunchrooms	5,942	21.0%	$2,791,096	90.1%	13.7%
Refreshment places	5,051	32.9	1,825,817	110.6	16.2
Cafeterias	312	(5.7)	218,896	70.0	11.2
Other	787	40.8	324,288	107.0	15.7
Georgia					
Restaurants & lunchrooms	2,272	6.1%	$821,887	77.0%	12.1%
Refreshment places	2,818	21.7	1,072,381	92.8	14.0
Cafeterias	186	(11.8)	93,776	41.2	7.2
Other	350	22.8	136,981	86.0	13.2
Maryland					
Restaurants & lunchrooms	1,698	4.6%	$790,801	67.8%	10.9%
Refreshment places	1,977	17.4	710,909	55.6	9.2
Cafeterias	70	(34.0)	44,644	12.1	2.3
Other	414	(15.2)	197,501	65.8	10.6

Chart continues . . .

Eating place sales by state and restaurant type (1977 and 1982)

Region	Number of establishments 1982	Percent change 1977–1982	Sales (000) 1982	Percent change 1977–1982	Average annual increase in sales
North Carolina					
Restaurants & lunchrooms	2,875	5.1%	$791,931	67.5%	10.9%
Refreshment places	2,845	20.6	1,055,191	107.2	15.7
Cafeterias	145	(19.9)	81,421	37.4	6.6
Other	362	5.8	109,522	58.6	9.7
South Carolina					
Restaurants & lunchrooms	1,398	9.0%	$392,522	73.2%	11.6%
Refreshment places	1,493	28.5	526,033	107.8	15.8
Cafeterias	92	17.9	49,237	119.6	17.0
Other	167	4.4	72,365	79.5	12.4
Virginia					
Restaurants & lunchrooms	2,717	0.8%	$912,987	73.4%	11.6%
Refreshment places	2,458	15.2	916,377	83.8	13.0
Cafeterias	209	(29.4)	73,046	26.9	4.9
Other	371	2.5	166,900	52.3	8.8
West Virginia					
Restaurants & lunchrooms	700	(11.7)%	$186,061	39.2%	6.8%
Refreshment places	784	22.5	263,849	94.5	14.2
Cafeterias	32	(36.0)	15,986	19.7	3.7
Other	133	(26.5)	28,611	19.6	3.7
EAST SOUTH CENTRAL					
Alabama					
Restaurants & lunchrooms	1,183	(13.3)%	$334,609	34.8%	6.1%
Refreshment places	1,658	13.1	582,548	91.3	13.9
Cafeterias	87	(34.1)	50,612	32.3	5.8
Other	216	(11.8)	68,414	26.0	4.7
Kentucky					
Restaurants & lunchrooms	1,323	(11.1)%	$416,106	43.8%	7.5%
Refreshment places	1,696	24.7	637,473	91.1	13.8
Cafeterias	111	(38.0)	39,502	26.8	4.9
Other	209	1.4	65,278	70.5	11.3
Mississippi					
Restaurants & lunchrooms	847	(4.7)%	$213,151	70.4%	11.3%
Refreshment places	1,006	16.4	302,408	76.2	12.0
Cafeterias	54	17.4	25,003	145.5	19.7
Other	135	11.6	34,418	6.7	1.3
Tennessee					
Restaurants & lunchrooms	1,968	(6.9)%	$682,084	60.8%	10.0%
Refreshment places	2,116	17.0	744,718	89.4	13.6
Cafeterias	159	(4.2)	73,605	64.3	10.4
Other	320	19.0	89,677	65.5	10.6
WEST SOUTH CENTRAL					
Arkansas					
Restaurants & lunchrooms	[illegible]59	(13.4)%	$215,125	46.0%	7.9%
Refreshment places	1,182	15.1	335,653	92.1	13.9
Cafeterias	84	5.0	31,519	82.7	12.8
Other	115	(5.7)	22,809	35.2	6.2
Louisiana					
Restaurants & lunchrooms	1,633	2.1%	$636,993	81.2%	12.6%
Refreshment places	1,803	21.3	706,196	106.8	15.6
Cafeterias	85	(26.1)	70,228	46.2	7.9
Other	248	19.8	248,056	155.8	21.0
Oklahoma					
Restaurants & lunchrooms	1,579	(4.2)%	$516,922	90.5%	13.8%
Refreshment places	1,968	13.0	649,139	120.1	17.1
Cafeterias	139	0.7	79,056	86.6	13.3
Other	244	12.4	102,478	105.2	15.5
Texas					
Restaurants & lunchrooms	6,727	7.1%	$2,860,967	106.0%	15.6%
Refreshment places	8,534	21.1	2,898,421	106.9	15.7
Cafeterias	616	3.2	504,915	86.8	13.3
Other	968	17.6	464,576	116.9	16.7
MOUNTAIN					
Arizona					
Restaurants & lunchrooms	1,600	11.3%	$688,765	89.2%	13.6%
Refreshment places	1,464	37.0	452,769	108.9	15.9
Cafeterias	87	6.1	49,856	75.8	11.9
Other	228	25.3	84,298	28.0	5.0

Chart continues . . .

Eating place sales by state and restaurant type (1977 and 1982)

Region	Number of establishments 1982	Percent change 1977–1982	Sales (000) 1982	Percent change 1977–1982	Average annual increase in sales
Colorado					
Restaurants & lunchrooms	2,296	11.3%	$957,301	95.5%	14.3%
Refreshment places	1,542	24.0	525,842	106.0	15.6
Cafeterias	116	(12.1)	64,342	78.4	12.3
Other	254	23.9	121,420	82.8	12.8
Idaho					
Restaurants & lunchrooms	597	3.5%	$175,718	45.1%	7.7%
Refreshment places	506	16.6	121,126	56.8	9.4
Cafeterias	26	23.8	7,589	85.6	13.2
Other	59	25.5	19,002	96.2	14.4
Montana					
Restaurants & lunchrooms	690	8.5%	$185,476	53.6%	9.0%
Refreshment places	496	21.6	109,971	80.0	12.5
Cafeterias	20	5.3	8,129	161.0	21.0
Others	47	2.2	9,473	62.8	10.2
Nevada					
Restaurants & lunchrooms	519	17.4%	$261,435	78.3%	12.3%
Refreshment places	474	43.6	159,596	103.3	15.2
Cafeterias	23	27.8	3,776	51.6	8.7
Other	69	68.3	49,057	307.8	32.0
New Mexico					
Restaurants & lunchrooms	827	9.7%	$272,270	84.0%	13.0%
Refreshment places	751	25.2	234,837	106.4	15.6
Cafeterias	34	(15.0)	32,957	80.4	12.5
Other	93	36.8	23,968	60.8	10.0
Utah					
Restaurants & lunchrooms	705	(11.5)%	$232,533	47.4%	8.1%
Refreshment places	699	9.4	213,464	81.0	12.6
Cafeterias	18	(40.0)	3,869	24.4	4.5
Other	91	28.2	28,178	138.0	18.9
Wyoming					
Restaurants & lunchrooms	358	10.8%	$122,474	76.7%	12.1%
Refreshment places	303	37.1	89,149	128.8	18.0
Cafeterias	6	(62.5)	1,825	(11.5)	(2.5)
Other	27	125.0	14,638	641.9	49.0
PACIFIC REGION					
Alaska					
Restaurants & lunchrooms	282	15.6%	$142,025	90.0%	13.7%
Refreshment places	217	41.8	102,724	116.5	16.7
Cafeterias	8	(57.9)	1,744	(47.0)	(12.0)
Other	36	(45.4)	81,415	25.1	4.6
California					
Restaurants & lunchrooms	15,207	9.1%	$7,164,561	67.4%	10.9%
Refreshment places	13,244	22.6	4,341,897	85.9	13.2
Cafeterias	727	(4.3)	254,579	48.7	8.3
Other	1,878	19.0	763,102	115.5	16.6
Hawaii					
Restaurants & lunchrooms	773	21.7%	$466,188	86.1%	13.3%
Refreshment places	545	21.6	262,001	89.7	13.7
Cafeterias	26	(7.1)	9,588	69.8	11.1
Other	97	16.9	71,738	109.7	16.0
Oregon					
Restaurants & lunchrooms	1,868	6.6%	$671,721	50.1%	8.5%
Refreshment places	1,498	30.1	429,242	76.1	12.0
Cafeterias	94	5.6	33,082	78.3	12.3
Other	193	13.5	60,419	88.9	13.6
Washington					
Restaurants & lunchrooms	2,752	14.0%	$1,189,218	61.7%	10.1%
Refreshment places	2,098	36.0	667,363	91.4	13.9
Cafeterias	112	(11.8)	35,747	17.0	3.2
Other	246	20.6	128,656	129.2	18.1

The sales data for cafeterias and other establishments was not reported for Delaware and North Dakota in 1977 in order to avoid disclosing data for individual companies.

Source: *1982 Census of Retail Trade*, Bureau of the Census, U.S. Department of Commerce.

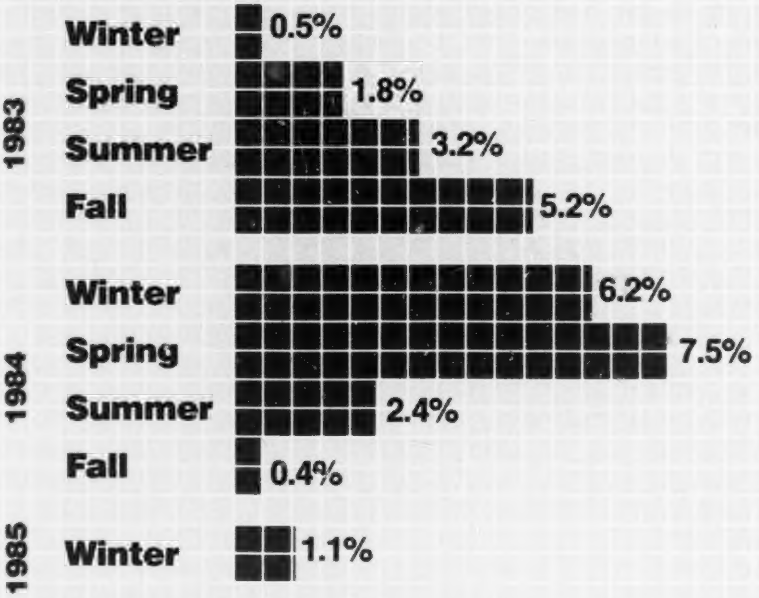
December-January-February

CREST REPORT

Winter quarter highlights

- **Customer traffic:**
Up 1.1 percent
- **Sales:**
Advanced 4.7 percent
- **Visit frequency:**
Increased 3.0 percent
- **Average check size:**
Up 3.6 percent
- **Restaurant types:**
Quick service customer traffic: Rose 3.7 percent
Upscale customer traffic: Edged up 0.7 percent
Midscale customer traffic: Declined 4.1 percent
- **Meal periods:**
Breakfast customer traffic: Jumped 14.2 percent
Lunch customer traffic: Dipped 0.8 percent
Dinner customer traffic: Dropped 1.8 percent

Percent change in quarterly traffic
(winter 1983—winter 1985)



Note: **Percent change is from the same quarter in prior year.**
Source: *CREST Household Report,* GDR/CREST Enterprises.

Customer traffic climbs 1.1 percent . . .

Customer traffic at the nation's restaurants rose a modest 1.1 percent during the December-January-February quarter, marking the 10th consecutive quarter of growth, according to CREST's *Household Report*. This advance is an improvement over the fall quarter's 0.4 percent gain. However, it is lower than the 2.4 percent increase recorded this past summer and considerably below the 7.5 percent advance last spring.

More moderate economic growth and harsh winter weather contributed to the relatively small gain in customer counts during this quarter. Real GNP rose a sluggish 1.3 percent in the first quarter of 1985, compared with a 4.3 percent increase in the fourth quarter of 1984. In addition, total retail sales moderated over the three-month period. After posting gains of 5.1 percent and 6.5 percent, respectively in December and January, sales advanced a considerably slower 2.6 percent in February.

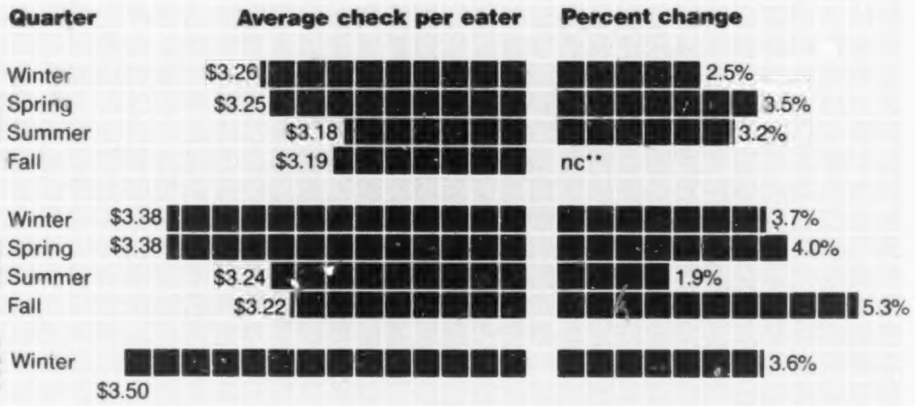
The unemployment rate also remained relatively high during the winter period. In December, thanks to increased hiring for Christmas, the unemployment rate leveled off at 7.2 percent. However, in January, when many of the seasonal employees were let go, the rate edged up to 7.4 percent, while in February the unemployment rate dipped slightly to 7.3 percent.

Weather dampens sales . . .

Additionally, Mother Nature played a role in dampening customer counts at restaurants. The weather was very severe, and many consumers opted to remain at home. Also, many industrial plants were forced to shut down as a result of the weather, putting hundreds of people out of work. This led to a slowdown in personal income growth. Personal income rose 0.3 percent in February versus larger advances of 0.6 percent in January and 0.4 percent in December.

On the other hand, several indicators painted a somewhat brighter picture. Despite the economy's slower rate of growth, consumer confidence remained strong during the winter quarter. The index dropped

Percent change in per person check*
(winter 1983—winter 1985)



* Based on average for two-week period
** No change

Note: Percent change is from the same period in prior year.
Source: *CREST Household Report*, GDR/CREST Enterprises.

somewhat in December but rebounded to higher levels in January and February. Additionally, inflation rose at a moderate pace during the December-January-February period—up an average 3.7 percent. This is well below the 4.1 percent advance posted in the fall quarter.

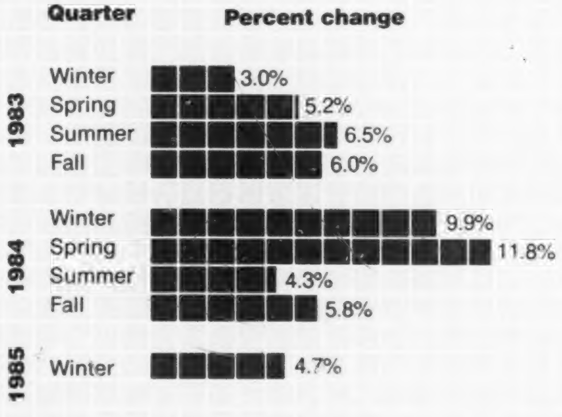
NRA is optimistic that the restaurant industry will grow at a healthy pace in 1985. Real eating place sales (adjusted for inflation) are expected to increase 3.7 percent in 1985. The spring and summer months should be especially strong due to moderately rising inflation and increased vacation travel.

Households dine out more often . . .

Households dined out more often in the winter quarter. The average number of times families and singles visited restaurants—visit frequency—rose 3.0 percent. This is considerably higher than the 0.9 percent advance recorded in the fall quarter and slightly above the 2.6 percent advance in the summer period. On the other hand, the number of households that dined out at least once in the winter quarter was down 1.6 percent from the same quarter one year ago.

An analysis of visit frequency by industry segments—quick service, midscale and upscale—reveals that quick service restaurants posted the largest gain—3.4 percent. Upscale restaurants also recorded a somewhat smaller 1.0 percent increase, while midscale restaurants experienced a slight decline in visit frequency—1.4 percent. However, only in the quick service segment did the actual number of families and singles dining out at least once in the two-week period—restaurant penetration—increase, up 8.1 percent.

Percent change in quarterly CREST sales*
(winter 1983—winter 1985)



* Sales based on total U.S. average for two-week period each quarter.

Note: Percent change is from the same quarter in prior year.
Source: *CREST Household Report*, GDR/CREST Enterprises.

Breakfast traffic jumps 14.2 percent . . .

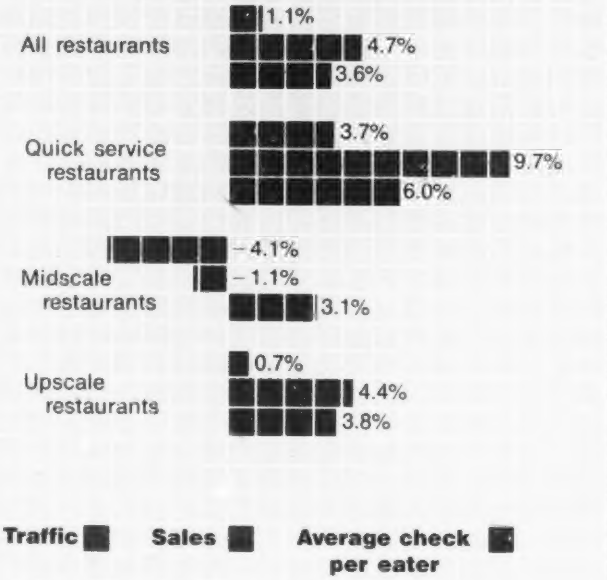
Breakfast was the only major meal period in which traffic increased during the winter quarter, rising a substantial 14.2 percent versus one year earlier. Customer counts at lunch fell a slight 0.8 percent, while dinner traffic declined 1.8 percent.

The increase in breakfast traffic is significantly larger than the 6.5 percent and 9.6 percent advances recorded in the fall and summer quarters, respectively. The decline in lunch and dinner traffic may reflect the particularly harsh winter weather as well as the relatively high rate of unemployment.

Restaurant sales up 4.7 percent . . .

CREST sales rose a moderate 4.7 percent during the December-January-February period, somewhat below the 5.8 percent advance registered in the fall quarter. This gain is slightly higher than last summer quarter's 4.3 percent increase in sales but significantly below the 11.8 percent gain recorded in the 1984 spring quarter.

The average expenditure for a restaurant meal or snack—per person check size—climbed 3.6 percent in the winter quarter. This approximates the 4.0 percent gain recorded by the Consumer Price Index (CPI) for food-away-from-home during the December-January-February period. Last fall the average check rose a more substantial 5.3 percent. On the other hand, the winter quarter advance is larger than the 1.9 percent increase posted in the summer quarter of 1984.



Winter quarter performance by restaurant segment

Note: Percent change from the same quarter in prior year.
Source: CREST *Household Report*, CREST NPD Research, Inc.

Breakfast highlights:

- Sales for the morning meal rose an impressive 13.4 percent.
- The average check averaged $2.18 per person—a 0.4 percent decline.
- Visit frequency increased 4.0 percent, and penetration advanced 8.1 percent.

Lunch highlights:

- Lunch sales went up a modest 2.9 percent.
- The per person check averaged $3.12, up 3.6 percent.
- The average number of times households ate lunch out fell 0.4 percent, and penetration declined 1.0 percent.

Dinner highlights:

- Dinner sales advanced a moderate 3.0 percent.
- The average per person check climbed 5.1 percent to $4.72 per person.
- Visit frequency rose 1.7 percent, but penetration declined 1.5 percent.

Traffic up at quick service and upscale restaurants . . .

Quick service restaurants posted a 3.7 percent gain in customer traffic during the December-January-February period, outpacing the other industry segments. Traffic at upscale establishments edged up a slight 0.7 percent. Customer counts at midscale restaurants, however, fell 4.1 percent in the winter quarter.

Ethnic restaurants continued to make impressive gains in customer traffic, especially in the quick service and upscale segments. Customer counts at upscale steak and specialty restaurants and midscale sandwich establishments also made strong showings.

Quick service restaurant highlights:

- Sales at quick service establishments climbed a hefty 9.7 percent. The increase in customer counts together with a larger than average gain in the per person check helped boost sales.
- The number of occasions on which promotions were used dropped from 16.4 percent last winter to 13.7 percent in the winter of 1985.
- Traffic at quick service specialty restaurants grew at the fastest pace—up 7.6 percent. Significant advances in customer traffic at pizza and barbecue restaurants helped fuel this increase.
- Customer counts at quick service ethnic restaurants rose a strong 7.4 percent, with both Mexican and Oriental establishments making significant gains.
- Sandwich/varied menu restaurants experienced a 1.9 percent increase in traffic.

Upscale restaurant segment highlights:

- Upscale restaurant sales increased 4.4 percent.
- Promotional usage at upscale restaurants declined from 9.5 percent to 8.8 percent of occasions.
- Upscale specialty restaurants recorded an 11.7 percent advance in customer traffic, outdistancing the other categories. Upscale steak establishments stole the show with a 19.4 percent increase in traffic.
- Customer counts at upscale ethnic restaurants rose an impressive 9.2 percent. Oriental restaurants registered the largest gain, followed by Mexican establishments.
- Upscale hotel restaurants, on the other hand, experienced an 18 percent drop in customer traffic.

Midscale restaurant highlights:

- Midscale restaurant sales fell 1.1 percent.
- The number of occasions on which promotions were used fell from 9.4 percent last winter to 8.8 percent in the winter of 1985.
- Midscale ethnic restaurants posted the best performance in this segment. Customer traffic rose 1.3 percent, with Italian and Mexican restaurants making the strongest showings.
- Customer counts at midscale specialty restaurants declined 3.3 percent. A drop in traffic at fish/seafood, family steak and other restaurants contributed to the decline.
- Midscale hotel/retail establishments suffered the largest decline in traffic—down 10.1 percent.

What is CREST?

Launched in September 1975, the CREST (Consumer Reports on Eating Share Trends) survey is designed to track expenditures and behavior in the commercial segment of the foodservice industry, including information by type and classification of restaurant and also by meal or snack period.

Approximately 10,000 families and 2,800 non-family households, representing demographic patterns in the U.S., have been selected to participate in the study. Each household is asked to record every meal and snack experience during a particular two-week period for each of the four quarters of the year. Detailed entries are required for meals eaten or purchased away from home in establishments, such as restaurants, hotels and motels, fast food/drive-ins, delicatessens, refreshment stands, carryouts, coffee shops, donut shops, ice cream shops or eating places inside variety stores or other retail stores. The diary does not include any meals eaten at schools, hospitals, colleges or other institutional feeding places.

CREST information can help restaurateurs compare their operation's performance with that of the total industry as well as with specific restaurant categories (quick service, midscale or upscale restaurants).

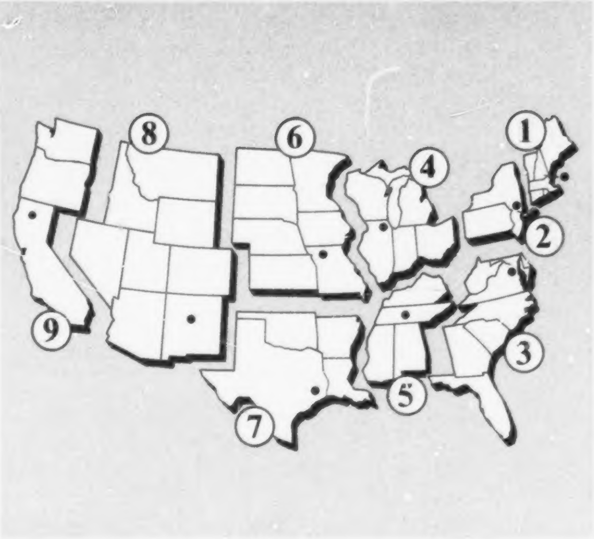
The CREST study can also provide valuable information concerning customer behavior, such as how much people spend, where they spend and when they spend. And, because it is an ongoing study, CREST information allows comparison against a standard—an aid in the development of trend analysis.

Readers wishing more information on the CREST study should contact GDR/CREST Enterprises, one of the NPD group of marketing and research companies, 1300 W. Higgins Rd., Park Ridge, IL 60068-5798.

How's business?

by Cecelia Niepold

This month's interviews spotlight the variety of Mexican restaurants that operate across the country.



1
NEW ENGLAND

Location: Salem, NH
NRA members: Sally and Rito Acevedo
Operation: Little Mexico
Profile: Two Mexican restaurants
In business: 15 years
Seats: 100 and 230
Meals served: Lunch, dinner

Teaching New Englanders to enjoy Mexican food hasn't been easy for **Sally** and **Rito Acevedo,** owners of Little Mexico, Inc. "We learned right away that some people were hesitant about trying Mexican food because of its hot and spicy reputation," explains Sally Acevedo. To make customers more comfortable, Acevedo included descriptions of the entrees on the menu, made sure staff could thoroughly discuss the dishes and encouraged customers to season meals to their own taste by providing hot sauces at the table.

Building on their Mexican background, the Acevedos have developed their menu by translating basic Mexican recipes into their own style.

The Acevedos' methods for reforming Northerners' palates seem to be working. They've just opened a second establishment, which is twice as large as their first.

2
MIDDLE ATLANTIC

Location: New York, NY
NRA member: Carlos Jacott
Operation: El Parador
Profile: Fullservice Mexican restaurant
In business: 26 years
Seats: 100
Meals served: Lunch, dinner

Although competition in the Mexican restaurant segment has intensified in New York City, business is still thriving at El Parador. **Carlos Jacott,** the owner, believes his business has continued to grow because he thoroughly spoils his customers and makes each dining experience a festive occasion.

One personalized touch is to treat children to a "behind the scenes" tour of the kitchen. Children meet the chef and receive a special basket of tortilla chips.

The menu is varied, and items range from jalapenos stuffed with peanut butter to Chicken Parador, the restaurant's signature dish.

3
SOUTH ATLANTIC

Location: Washington, DC
NRA member: Manny Pena
Operation: La Fonda Mexican Restaurant
Profile: Fullservice Mexican restaurant
In business: 8 years
Seats: 300
Meals served: Lunch, dinner

Business has picked up with the return of the warm weather and the tourists, says **Manny Pena,** co-owner of La Fonda Mexican Restaurant. Pena has noticed that the trend toward eating ethnic food has also boosted business.

Located in a bustling residential neighborhood, La Fonda had trouble attracting lunch business because parking was difficult. To solve the problem, they started a van service with the restaurant next door to make transportation easy for customers. The service is generating additional business.

Four years ago, to celebrate Mexican Independence Day (September 15), Pena decided to close off the street in front of the restaurant and organize a block party. The party has become an annual event. Last year 30,000 people enjoyed the good food and entertainment, which included mariachi bands and Latin dancers. It's also become a neighborhood project. The local merchant's association is involved, and many of the restaurants in the area participate.

4
EAST NORTH CENTRAL

Location: Chicago, IL
NRA member: Philip Marienthal
Operation: Blue Mesa
Profile: Southwestern restaurant
In business: 18 months
Seats: 90 inside, 60 on patio
Meals served: Lunch, dinner

Business is going really well, says **Philip Marienthal,** owner/operator of Blue Mesa. Blue Mesa serves food with a Southwestern flavor, but the influence is from New Mexico, not Mexico. "The main difference is in the spices and chiles we use." For instance, he serves blue corn tortillas and sauces made with green chiles—both indigenous to the New Mexico area.

A special touch is the basket of sopaipillas (Indian refried bread) served with all meals. The traditional bread is cut into small triangles and served with honey. "The honey helps cool the palate," says Marienthal.

American dishes are available, but most have a Southwestern flair, such as steak topped with cactus, onions and peppers.

5
EAST SOUTH CENTRAL

Location: Brentwood, TN
NRA member: Jerry Hargett

Operation: Fiesta Cantina, Inc.
Profile: 13-unit Mexican restaurant chain
In business: 8 years
Seats: 100, average
Meals served: Lunch, dinner

Sales have shot up almost 35 percent, according to **Jerry Hargett,** director of operations at Fiesta Cantina, Inc.—a mid-price Mexican restaurant chain.

Hargett attributes the strong growth to the company's quality-conscious advertising and the variety of specials and menu items offered. For instance, the restaurants have specialty nights, such as an "all you can eat" tacos feature. "These specials encourage people to try new items," explains Hargett.

The company also has recently developed an appetizer bar, which features tortilla chips and such condiments as hot and mild salsas and green chile sauce. Customers have fun combining different flavors to their own taste. Another new item is the Paco Taco, which is pita bread stuffed like a taco.

Although units are primarily located in the Southeast, the company also operates restaurants in New York and Nebraska. The menu is fairly standard at all locations, but there are some differences in spice levels to accommodate regional preferences. For instance, the hot sauce in New York is blander than that served in Tennessee.

6
WEST NORTH CENTRAL

Location: Trenton, MO
NRA member: Larry Gift
Operation: Judge Roy Bean's Mexican Restaurant
Profile: Mexican restaurant
In business: 18 months
Seats: 120
Meals served: Lunch, dinner

"Business is up," says **Larry Gift,** owner of Judge Roy Bean's Mexican Restaurant in Trenton, MO—a small agricultural town. "We're the only Mexican restaurant in town, and it's taken a little time to build the trade," he explains.

To help people get accustomed to Mexican entrees, Gift has included explanations as well as pronunciation tips on the menu. Customers can also watch the food being prepared in the open kitchen. Service is a combination of self-serve and table service. A drive-thru window encourages take out orders.

The menu includes basic Mexican entrees as well as unusual desserts, such as rollitos—flour tortillos filled with apples, raisins, walnuts and cream cheese that are deep fried and topped with cinnamon and sugar.

7
WEST SOUTH CENTRAL

Location: Houston, TX
NRA member: Rosemary Garbett
Operation: Los Tios Mexican Restaurants, Inc.
Profile: 7-unit Mexican restaurant chain
In business: 15 years
Seats: 250, average
Meals served: Lunch, dinner

Business in Houston is still a little slow, but a lot of new restaurants are opening up, says **Rosemary Garbett,** owner of Los Tios Mexican Restaurants, Inc.

Garbett's restaurants serve primarily Tex-Mex food—a traditional favorite in the area. Garbett believes most customers enjoy the milder Mexican food that typifies Tex-Mex. "My restaurants are strictly Tex-Mex. We don't have the greasy, hot, spicy foods that are really native," she explains. The price/value offered at her restaurants also makes them attractive to customers. "Tex-Mex is generally low in price; families can eat out very inexpensively and still be served," she says.

Recent new items include charbroiled marinated chicken breasts and fajitas. "Fajitas are a really hot item right now; everyone's adding them to menus," she maintains. Garbett's fajitas are charbroiled skirt steaks, wrapped in flour tortillas and served with beans, rice, pico de gallo (relish made of tomatoes, onions and cilantro), charbroiled onions and bell peppers.

8
MOUNTAIN

Location: Albuquerque, NM
NRA member: Robert Montoya
Operation: Cocino de Carlos
Profile: Fullservice Mexican restaurant
In business: 34 years
Seats: 175
Meals served: Lunch, dinner

Business is up and the local economy is strong, says **Robert Montoya,** owner of Cocino de Carlos. Recent design changes to update the restaurant's look and a new fullservice liquor license have contributed to the establishment's sales.

Entrees have a distinct New Mexican taste. "New Mexico has its own type of Mexican food. There's definitely a different flavor here in Albuquerque," says Montoya. For instance, New Mexican chili has its own personality—made with green chiles, a favorite local product that gives the chili a special flavor. "You can really taste the chile peppers in our chili," explains Montoya. "Other people put in a lot of other things to thin it and cool it down."

Montoya has noticed that customers are really looking for different items to try. Seafood enchiladas and fajitas are two recent additions that have become very popular. Montoya has also added salads with a Mexican accent, including chicken, taco and seafood, to appeal to the growing number of nutrition-conscious patrons.

9
PACIFIC

Location: Selma, CA
NRA member: Lionel Gonzalez-Rodriquez
Operation: El Conquistador Restaurant
Profile: Three Mexican restaurants
In business: 12 years
Seats: 120
Meals served: Lunch, dinner

"Business is good; sales are up," says **Lionel Gonzalez-Rodriquez,** owner of El Conquistador Restaurants—a three-unit chain of Mexican restaurants located in central California.

Mexican food is very popular in California, partly because of the area's close proximity to Mexico. "Everyone eats Mexican food here. Some people eat it every day," maintains Gonzalez-Rodriquez. He is proud of the area's Mexican flavor. "Ours is the best Mexican food in the country," he says proudly.

Personal service and menu variety help differentiate El Conquistador Restaurants from the numerous Mexican establishments in the area. For instance, the menu offers 20 different tostadas, ranging from basic bean and beef dishes to unusual shrimp and crabmeat combinations.

FOOD FOR THOUGHT

Aiding the search for missing children

The "early bird" menu at Old Fisherman's Grotto Restaurant in Monterey, CA, lists such specials as Trout Almadine, Fish 'n' Chips and Seafood Pasta. But turn the menu over and you'll find a listing of a different sort—up to six names of missing children, complete with photographs, dates of birth and dates of abduction.

"I saw the photos of missing children printed on milk cartons, and it brought tears to my eyes," says restaurant owner Chris Shake. "So I contacted the Action Alliance for Children in Berkeley to see how I could help."

Shake began printing missing children's photographs on his menus over two months ago. He estimates that up to 800 patrons have seen the photos daily since then. "No children have been found as a result of our menus—yet," he says. "But we are increasing public awareness of the problem."

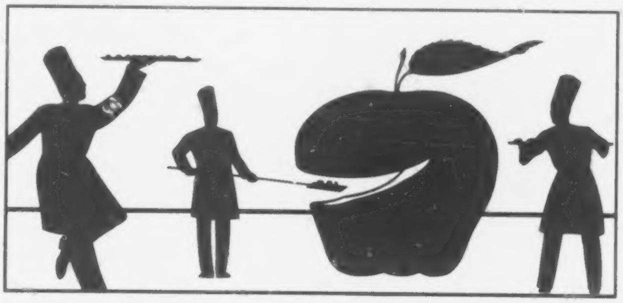
—***NRA NEWS*** *interview*

Georgia fast food appeals to northern students

Question: What's an advertisement for a fast food restaurant in Cartersville, GA, doing in a student newspaper in Indianapolis, IN? *Answer:* The operators of the McDonald's restaurant located near a major interstate highway in Cartersville know that, come spring, students from Purdue University in Indianapolis will head south for that annual ritual called spring break.

"Every year at this time, I-75 is filled with college kids headed down to Florida," explains McDonald's first assistant Liz Orton, "so we figured the best way to reach them is by advertising in their school papers." Orton says the restaurant advertises in major university newspapers throughout the northern states, offering students two sandwiches for the price of one.

—***NRA NEWS*** *interview*



Channeling food to the needy

If you're looking for a way to demonstrate community support through charitable contributions, you might consider contacting Second Harvest. Second Harvest is a nonprofit organization that solicits food from food manufacturers, retailers and others and distributes these donations to its nationwide network of food banks. This food is then distributed to community organizations that feed the needy.

The advantages to participation in Second Harvest are three-fold: first, participation demonstrates responsibility to community welfare. Second, donors need to deal with only one convenient source to move surplus food—there are Second Harvest locations in most major cities, and representatives will pick up donations. And, finally, donors receive the benefits of federal and state tax deductions.

For more information on how you can become involved, contact: Second Harvest, 343 South Dearborn St., Suite 516, Chicago, IL 60604, (312) 341-1303.

—***NRA NEWS*** *interview*

California cuisine imported for New York fund raiser

Two renowned New York City caterers recently joined forces to bring the "Spirit of L.A." to the Big Apple. Great Performances and Cuisine Americaine, the catering companies, coordinated a gala fund raiser for the Brooklyn Academy of Music, bringing chefs from six prestigious Los Angeles restaurants to prepare their hors d'oeuvres specialties. The two caterers also prepared a sit-down dinner for the 650 attendees.

"The California theme was a delightful way to celebrate spring in New York City," reports Liz Neumark, co-owner of Great Performances. Says Rick Rodgers of Cuisine Americaine, "The guests were enthralled by some of the 'California trendy' items served, such as blue corn tortillas. That's quite a departure from lox and bagels." The fund raiser, sponsored by Abraham and Strauss department stores, netted more than $150,000 for the Brooklyn Academy of Music.

—***NRA NEWS*** *interview*

Five of NRA's top seminars will be offered during this two-day foodservice forum.

Send one, two, three or more staff members. They will return to your operation as a team motivated for success.

Back-of-the-House Seminars

Soups & Sauces
Monday, June 10

The Pantry: Prep for Profit
Tuesday, June 11

Management/ Supervision Seminars

Kitchen Management
Monday, June 10, 1985

Basic Supervision in Foodservice
Tuesday, June 11, 1985

Owners'/Operators' Seminar

Planning and Implementing a Restaurant Marketing Strategy
Monday and Tuesday, June 10–11

TeamWork
can make
a good
restaurant
a great
restaurant

From controlling costs and reducing waste to increasing traffic and exploring new avenues of opportunity, each seminar will focus on bottom line profits.

To obtain more information or to register for TeamWork, please complete the card between pages 40–41 of this issue or call NRA Education Programs at 800/424-5156 (toll free) or 202/638-6100.

Orlando, Florida
Hyatt Orlando
June 10–11, 1985

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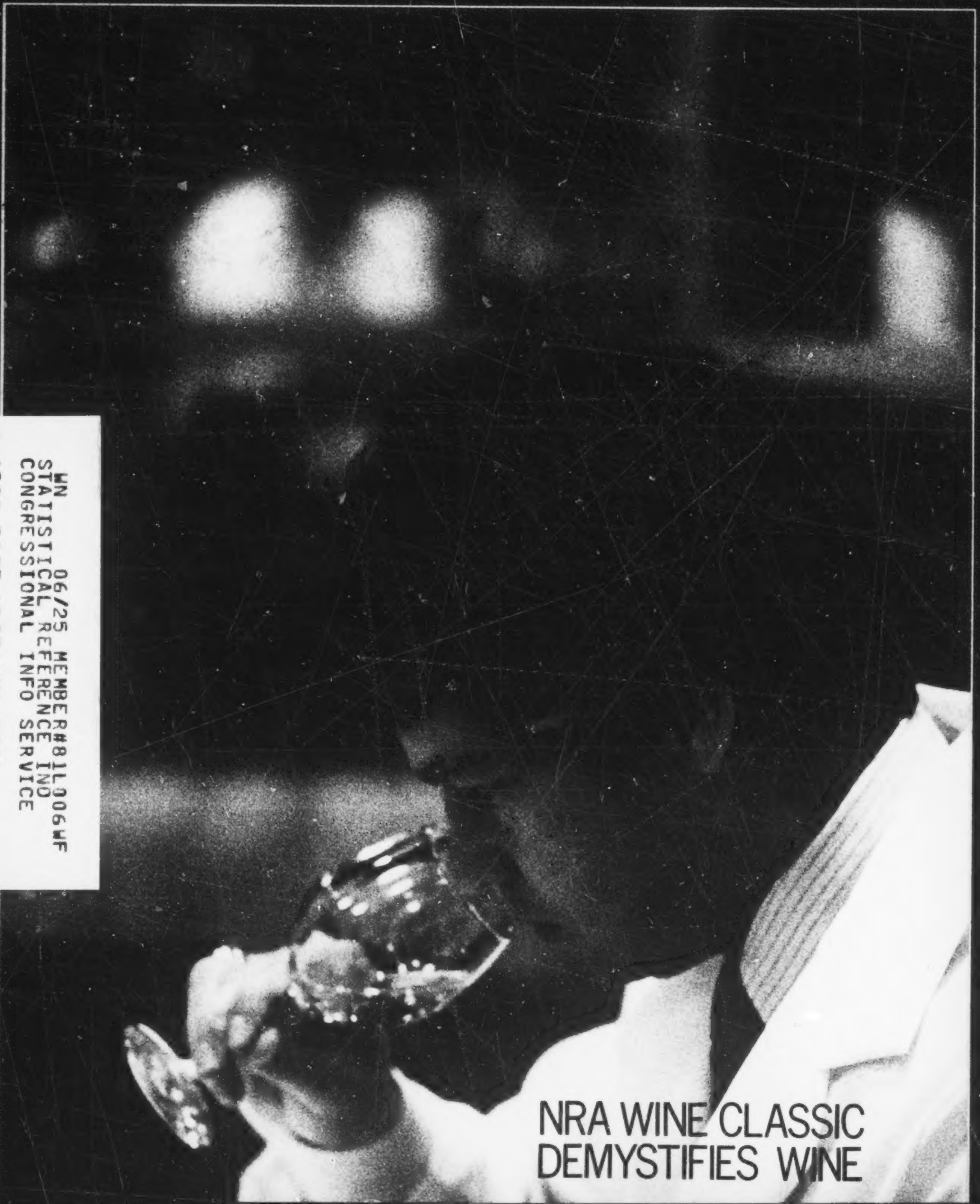

NRA WINE CLASSIC DEMYSTIFIES WINE

NRA MEETINGS

Seminars

Basic Supervision Courses

Basic Supervision in Foodservice

7/17	Memphis, TN
8/5	Portland, OR
8/14	Jackson, MS

Dining Room Management

7/9	Irvine, CA
7/30	Atlanta, GA
8/14	Denver, CO
8/21	Virginia Beach, VA
9/4	Winnipeg, Manitoba, Canada
9/16	Las Vegas, NV
9/24	Burlington, VT

Kitchen Management

7/9	Charleston, WV
8/7	Boston, MA
9/10	Charlotte, NC
9/12	Birmingham, AL
9/17	Toronto, Ontario, Canada

People-power and Profits

7/15	Newark, NJ
7/17	Portsmouth, NH
9/12	Tucson, AZ

Tools for Training

7/9	Phoenix, AZ
8/13	Tulsa, OK
9/4	Minneapolis, MN
9/18	Columbia, SC

Food Production Courses

Creative Buffets

7/15	Louisville, KY
9/9	Atlantic City, NJ
9/19	Newport, RI

The Pantry: Prep for Profit

8/1	Hartford, CT
8/15	Philadelphia, PA
9/11	Columbus, OH
9/25	Alexandria, VA

Perfecting Your Culinary Skills

7/30	Cleveland, OH
8/22	Baltimore, MD
9/10	Atlantic City, NJ
9/26	Austin, TX

Simplified Baking Workshop

8/13	Hyde Park, NY
9/17	San Diego, CA
9/19	Sacramento, CA

Soups and Sauces

8/5	Detroit, MI

Foodservice Management Courses

Banquet Management

9/10	Atlantic City, NJ
9/16	Washington, DC

Computers in Foodservice: A Primer

7/11	Portland, OR
7/23	San Jose, CA
8/13	Milwaukee, WI
9/23	Little Rock, AR

Computers in Foodservice: Advanced Technology

7/22	Seattle, WA
8/5	San Jose, CA
8/14	Milwaukee, WI
9/10	Detroit, MI

Employee Motivation

9/9	Owensboro, KY
9/11	Kansas City, MO

Food Cost Management

7/15	Sarasota, FL
8/12	Vienna, VA
9/9	Atlantic City, NJ
9/23	Denver, CO
9/30	Baltimore, MD

Menu Development

7/23	Madison, WI
7/25	Saginaw, MI
8/20	St. Louis, MO
9/17	Atlanta, GA
9/25	Shreveport, LA

Off-Premise Catering

9/4–5	Seattle, WA
9/9–10	Newton, MA

Operational Analysis

8/20–21	Denver, CO
9/18–19	Baltimore, MD

Planning & Implementing Restaurant Marketing Strategy

7/10–11	New Orleans, LA
8/7–8	Pittsburgh, PA
9/9–10	Atlantic City, NJ
9/25–26	Milwaukee, WI

Real Estate & Restaurant Site Selection

9/16–17	Jacksonville, FL

Restaurant Design & Facilities Planning

8/28–29	Houston, TX

National Conferences

National Conference on Marketing, Advertising and Promotions

8/25–28	Chicago, IL

Tenth Annual California Wine Workshop

9/20–25	Napa Valley, CA

National Conference on Catering

11/10–13	Las Vagas, NV

INFO '86: Independent Operators National Conference

2/16–19/86	Orlando, FL

National Conference on Computers

3/16–19/86	Washington, DC

For more information, please contact:
NRA Education Programs
311 First Street, N.W.
Washington, DC 20001
800-424-5156 or
202-638-6100

Study Group Meetings

Foodservice Security Council

7/14–17	Newport Beach, CA

Labor Relations

7/15–16	Boston, MA

Safety Officers

7/17–19	Newport Beach, CA

Internal Audit

9/ 17–20	New Orleans, LA

Financial Officers

9/18–20	Boca Raton, FL

Tax Executives

9/18–20	Boca Raton, FL

Large Independent Operators

9/26–28	Washington, DC

MIS (formerly EDP)

10/13–16	Boston, MA

Marketing Executives
10/23–25

Market Research
Fall, 1985

Foodservice Purchasing Managers
Fall, 1985

MAECO
Fall, 1985

For more information on specific study groups, contact Philip Kralovec, (312) 853-2525.

NRA NEWS

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Editorial Typists
Valerie Pines
Riley Stern

Editorial offices
and NRA headquarters
311 First Street, N.W.
Washington, DC 20001
(202) 638-6100

Chicago offices
One Park Place, Suite 2000
Chicago, IL 60601
(312) 853-2525

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PRESIDENT'S REPORT

Ted Balesteri
Co-Owner
The Sardine Factory, Inc.
Monterey, California

I am honored to have been elected president of the National Restaurant Association at the NRA Annual Restaurant Hotel-Motel Show this past May. The more than 90,000 foodservice operators, suppliers and educators in attendance this year made the Show one of the biggest and most successful in its 66-year history. I am proud to be part of such a dynamic, professional group of people.

There were many highlights at this year's Show. You will have an opportunity to read about them all in the special post-Show report in this issue.

Fighting business meal deduction caps

Association activities quickly shifted from Chicago to Washington at the end of May as President Reagan introduced his tax simplification plan. On behalf of your association, I testified before the House of Representatives Ways and Means Committee opposing the portion of the White House's tax plan which caps the business meal deduction. The plan unfairly singles out the business marketing meal from among other marketing tools, such as advertising and promotions. The White House bill could mean a first-year loss of 144,000 foodservice jobs as well as a loss of $1.6 billion to federal, state and local treasuries. Your association will make every effort to assure that this proposed cap is not included in the final tax plan accepted by Congress.

NRA is enlisting the support of all its members as well as their employees to fight this inequity. Within a few days, members will receive an employee information kit complete with payroll stuffers and posters designed to explain the ramifications of the proposal in terms your employees will both understand and identify with.

Resisting labeling attempts

A call for labeling packaged fast food by the Center for Science in the Public Interest has received extensive media coverage during the past few weeks. NRA is opposed to such labeling because it is impractical and costly. As your representatives in Washington, we will make every effort to keep such labeling from becoming a regulatory requirement. NRA wholeheartedly supports consumers' rights to information, but we stand on the belief that there are more efficient, effective methods for distributing ingredient information to our customers.

Shedding light on food safety concerns

In our continuing effort to assure our guests' safety while visiting foodservice establishments, NRA will publish "A Restaurateur's Guide to Consumer Food Safety Concerns." All NRA members will automatically receive a copy in July. This new report will be the sixth in NRA's *Current Issues Report Series*. An additional four reports are scheduled for the 1985–86 fiscal year.

Unveiling national conference schedule

You will find a copy of NRA's 1985–86 National Conference schedule bound to the center of this issue of ***NRA NEWS.*** These programs are designed to help you meet your needs, answer questions and find solutions to many of your nagging problems. Experts from all segments of the foodservice industry gather together for these conferences. Pull out the brochure. Read through it. Then register for the conferences which best suit your needs. Having attended many of these programs during the past three years, I know how valuable they can be to you and key members of your staff.

Launching video training programs

I am delighted to announce a new educational format from NRA—video training programs. By December 1985, NRA will offer foodservice training programs to supplement the association's current seminars and conferences. You will have the opportunity to purchase video training programs to use in your establishment. The first series of video tapes will focus on wait staff training. In 1986, a second series will be available on back-of-the-house employee training. Fill out the coupon between pages 10 and 11 of this issue. We will send you more information on NRA's video training programming as it becomes available.

Publishing reprint series

I would also like to draw your attention to another new NRA publication: *Building Profits*. *Building Profits* is one of a series of books being developed by compiling articles from the ***NRA NEWS*** on specific operational topics. Each of these publications presents a comprehensive overview of topics that are significant to your operation. See the back cover of this issue for more information on this series.

I am proud to represent one of the most professional and dedicated trade associations in the country. I pledge to serve you in every way I can during the next year.

During May, 324 foodservice operators and allied suppliers joined the ranks of NRA. Your participation in NRA will make your business grow and make your association more effective in its endeavors on your behalf. Welcome.

Sincerely,

Ted

Ted Balestreri
President and Chairman of the Board

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Specials

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Food for Thought 47 Busing teens to work.

Cover photograph: Michael P. Weinstein

SHORT ORDERS

NRA wins award for training program to help the disabled

At a Capitol Hill ceremony this June, NRA was honored for increasing the participation of disabled persons in American life. Specifically, the association was recognized for its hands-on training program for disabled persons so that they can be hired in the foodservice industry.

NRA was one of 14 winners in the National Organization Awards Program, a first of its kind nationwide competition. More than 90 national organizations entered this year's competition, which is planned to become an annual event. The program was sponsored by J.C. Penney Company, Inc. and the National Organization on Disability.

Presenting awards to the winners, J.C. Penney Chairman William Howell expressed the hope that this year's competition would "inspire more national organizations and associations to recognize the abilities of disabled persons and enlarge their participation in the mainstream of their activities." There are more than 35 million disabled Americans.

Margaret Heckler, Secretary, Department of Health and Human Services, presents an honorary award to Brother Philip Nelan, accepting on behalf of NRA. Others in the picture, from left to right, are Samuel R. Pierce, Jr., Secretary of Housing and Urban Development; Tony Coelho, (D-CA); Raymond Shafer, former governor of Pennsylvania; William R. Howell, chairman, J.C. Penny; and Senator Bob Dole (R-KS).

NRA updates guide to Congress

NRA's updated guide to the 1985–86 Congress is now available to NRA members. For all representatives and senators, the guide lists their addresses, phone numbers, pictures, key office aides and Senate and House committee assignments including key committee staff. New in this year's directory are maps of each state's counties and congressional districts.

To obtain your free copy, write or call NRA's Government Relations Department, 311 First St., N.W., Washington, DC 20001; (800) 424-5156. The nonmember fee for the directory is $5.

New executive compensation study now available

To hire and retain the most qualified management personnel restaurateurs must keep abreast of the latest developments in executive compensation.

That is why the National Restaurant Association has just published a nationwide report of executive compensation in foodservice. The report, based on a 1984 study conducted in cooperation with Laventhol & Horwath, contains a wealth of information regarding base salary, bonus and/or incentives, profit sharing and other benefits for 28 executive and managerial positions. This information is reported by type of organization, ownership, type of restaurant, geographic scope of operations and sales volume. Thus restaurateurs can compare their own compensation policies and practices with those of companies having similar characteristics.

For example, the study reports that the median base salary for chief executive officers is $60,000. The median salaries range from $45,000 for independent operators to $73,000 for chain organizations. The median cost of benefits for CEOs is $10,000.

Among nine unit level positions, median base salary ranges from $8,000 for a headwaiter, a position receiving gratuities, to $22,500 for executive chef and chef. The median base salary for management trainees is $13,000.

NRA's study—*Executive Compensation and Benefits in the Foodservice Industry*—is now available. The cost to NRA members is $20.00 (plus $2.00 postage and handling). The cost to non-members is $40.00 (plus $4.00 shipping and handling). Residents of Washington, DC, and Illinois must add a six percent sales tax. Chicago, IL, residents must add an additional one percent sales tax, bringing their sales tax total to seven percent.

To order, contact NRA, 311 First St., N.W., Washington, DC 20001 or call (800) 424-5156. Payment must accompany all orders. Credit card telephone orders are accepted. Please specify order number CS155.

WASHINGTON REPORT

NRA to fight business meal caps, TJTC expiration

NRA has begun a lobbying campaign to preserve the full deductibility of the business marketing meal and to save the Targeted Jobs Tax Credit (TJTC)—two tax provisions that are endangered by the President's tax reform plan.

In May the NRA Board of Directors decided the association would fight any attempt to limit the deductibility of business meals. It adopted a 26-point plan of action, including strategies for lobbying Congress at both the national and grassroots level.

Although many NRA directors operate establishments that would not be directly affected by the cap, all of them agreed that it is an issue that has industry-wide ramifications and that

What you can do

You can help NRA save the business meal deduction and TJTC. Contact your representative and senators and tell them you oppose a cap on the business meal deduction and support extension of the Targeted Jobs Tax Credit (TJTC). Particularly effective would be a face-to-face meeting during the upcoming August recess.

Arguments to save business meal deduction

You may wish to use some of these arguments when talking about the business meal deduction:

1. The business meal is a legitimate marketing tool. Like other sales-generating expenditures that are fully deductible (advertising, promotions, free samples, etc.), the business meal is an integral part of many firms' marketing plans. Why should businesses be saddled with an arbitrary limit on how much they can spend on a marketing meal?

2. There are no IRS or congressional studies that indicate abuse is a problem. Stricter enforcement of existing laws is the answer to abuse, not curtailing the deduction.

3. The cap may put your establishment out of business. A study by Chase Econometrics, the economic forecasting firm, shows that the cap would result in an $11.9 billion sales loss to restaurants over a three-year period.

4. The same Chase study estimates that 144,000 restaurant jobs would be lost in the first year. Many restaurant employees would be hard pressed to find work elsewhere, since many jobs in foodservice are entry-level positions requiring few skills.

5. Your wait staff may find their tips shrinking as meal tickets approach the $25 cutoff. If a businessman knows he can't spend more than $25 per person on a meal, he may leave a smaller tip to stay under the ceiling.

6. The cap discriminates against restaurants and businesses that operate in high-cost areas, such as large cities where meal tickets tend to be higher. This situation can only worsen, since the cap is not indexed for inflation.

7. The cap would result in a net loss of tax revenue. The Chase study shows that the cap would result in a net revenue loss of $6 billion over a three-year period. With $200 billion deficits, Congress can't afford the cap.

Arguments for TJTC

When speaking to your representative and senators about TJTC you may want to stress some of these points:

1. TJTC provides job entry into a career. Tell them about TJTC-eligible individuals you have hired. Provide some success stories—long-term employees who were originally hired under the credit and/or TJTC participants who have advanced into management or other positions of responsibility.

2. TJTC expands job opportunities for people who face difficulties entering the workforce, especially those with mental or physical handicaps. A tax incentive is needed to encourage employers to give these people a chance.

3. TJTC is cost effective. Studies show that TJTC has worked more efficiently than direct federal spending programs aimed at helping the chronically unemployed. TJTC is far less costly than the old CETA program and about half as expensive as the Job Training Partnership Act.

4. A multi-year extension of TJTC is essential to make the program work. Many employers are understandably reluctant to use TJTC when they find out it may not be extended from one year to the next. That's why it's important to pass H.R. 983 by Rep. Charles Rangel (D-NY) and S 1250 by Sen. John Heinz (R-PA). Both bills would extend TJTC for five years.

Where to write . . .

To write your U.S. representative, send you letters to: Honorable ______, U.S. House of Representatives, Washington, D.C. 20515. Use the salutation: Dear Mr., Mrs. or Ms. ___.

To write your senator, send your letters to: Honorable __________, U.S. Senate, Washington, D.C. 20510. Use the salutation: Dear Senator __________.

Please send a copy of your correspondence to the NRA Government Relations Department, 311 First Street, N.W., Washington, DC 20001.

all restaurateurs should work toward maintaining the full deductibility of the business meal.

Less restrictive caps still unacceptable . . .

Efforts earlier this year by NRA and its members to combat proposed caps on the business meal deduction were partially successful. The Treasury Department originally proposed capping the deduction at $10 per person for breakfast, $15 for lunch and $25 for dinner. The latest proposal would cap *all* business meals at $25 per person, with a 50 percent deduction allowed for amounts that exceed this ceiling. The $25 cap would include tax and tips.

Although the new proposal is less restrictive, it still is totally unacceptable to the restaurant industry. "As long as the law continues to recognize the deductibility of business expenses, there is no logical rationale for capping, limiting or reducing the full deduction for business marketing meal expenditures," NRA President Ted J. Balestreri said of the administration's plan. "Meals purchased in restaurants for potential clients or customers in order to sell goods or services are a legitimate cost of doing business. The effect of this proposal, were it to become law, would be to direct funds away from the restaurant industry to other forms of promotional activity, such as advertising or product sample distribution."

Business meals account for about one-fifth of all foodservice sales. They are expected to generate $30 billion in sales this year. President Reagan's business meal cap would therefore deal a severe blow to the industry and economy as a whole.

According to a study by Chase Econometrics, the business meal cap would result in an $11.9 billion reduction in restaurant sales over a three-year period, and it would mean the loss of 144,000 restaurant jobs in the first year. The cap would also result in a net revenue loss to local, state and federal treasuries of more than $6 billion during the three-year period due to falling personal income tax receipts and rising unemployment and welfare benefit payments.

NRA backs TJTC . . .

The Targeted Jobs Tax Credit (TJTC)—used by many restaurateurs to provide jobs to the disadvantaged and the handicapped—would not be renewed under the President's tax reform plan. TJTC is scheduled to expire at the end of this year.

"NRA has supported the credit since its inception in the late 1970s," Balestreri said, "and we believe there is no reason why TJTC shouldn't continue. By taking people off the welfare rolls and giving them a chance to become productive, tax-paying citizens, TJTC creates job opportunities without increasing government spending."

NRA testified in favor of a multi-year extension of TJTC this spring before a House Ways and Means subcommittee. NRA supports a bill, H.R. 983, by the subcommittee chairman, Rep. Charles Rangel (D-NY), that would extend TJTC for five years. A similar bill, S. 1250, has been offered in the Senate by Sen. John Heinz (R-PA). NRA plans to work with both Rangel's and Heinz's offices to do everything it can to ensure the continuation of the credit.

NRA-PAC chairman looks to record fundraising year

The NRA political action committee (PAC) is gearing up for the 1985-86 campaign season and, according to NRA-PAC Chairman W.W. "Biff" Naylor, it promises to be one of the best fundraising years ever.

"We're really pushing this year to expand our base of involvement," he says. One of Naylor's goals is to make restaurateurs understand that helping to elect representatives that reflect their views makes good business sense. "It's very important that NRA have the resources to help support those candidates who believe in the free en-

NRA action task force discusses tax reform, farm bill

Tax reform and the farm bill were just two of the topics discussed at the most recent meeting of the NRA Action Task Force. The Action Task Force is comprised of government affairs executives of multi-unit foodservice operations from around the country.

Speakers at the two-day forum included members of Congress and experts on real estate taxation and economics.

Addressing the group on tax reform was Rep. Ed Jenkins (D-GA). Jenkins is a member of the House Ways and Means Committee, the Budget Committee and Speaker Tip O'Neill's "kitchen cabinet," a group which makes recommendations on Democratic policy decisions.

Jenkins predicts a 50-50 chance of the House passing the President's tax reform package. At the meeting he also noted that it would take 534 days to write legislation encompassing all the provisions in the tax package.

House Ways & Means Committee member Ed Jenkins (D-GA) at a recent NRA Action Task Force meeting.

Rep. Dick Schulze (R-PA), who also sits on the House Ways and Means Committee, expressed his belief that tax reform will be successful this year if the proposal remains revenue neutral.

During a roundtable discussion Rep. Tom Daschle (D-SD), a member of the House Committee on Agriculture, outlined his priorities for creating a more viable program for agriculture. He cited problems with the overvalued dollar, international subsidization of agriculture and tax inequities as major contributors to the farm crisis. Daschle believes the government should phase out price support for farmers while maintaining some income supports for them.

terprise system," he maintains.

"The new streamlined authorization procedures should lead to more member contributions," Naylor said.

Under Federal Election Committee guidelines, PACs must first receive authorization from their members before they can communicate with them about PAC activities. In the past the authorization process was a cumbersome one that had to be repeated each year. Now approvals on file are good for up to four years.

Naylor believes that expanding the number of PAC trustees from seven to 12 and having them head up fundraising efforts in their regions will result in more contributions as well.

How the PAC works . . .

NRA-PAC awards campaign contributions to candidates running for seats in the U.S. Senate and House of Representatives. The PAC selects candidates and disburses money to their campaign committees based on their position on key restaurant issues, their voting record (if they have held prior office), their financial need and the closeness of the race.

Recommendations for campaign contributions are received from NRA-PAC contributors. A 12-member committee, composed of NRA directors and members, reviews the recommendations and decides which candidates will receive PAC funds.

NRA member contributions to the PAC cannot exceed $5,000, but average contributions are less than $100. Likewise, disbursements to any candidate by the PAC cannot exceed $5,000 per election.

During the 1983–84 election cycle, NRA-PAC contributed $110,000 to 109 candidates running for Congress.

Opinion poll results for April, May

In the April Opinion poll, *NRA NEWS* asked, "Should 18 to 20-year-olds be permitted to consume alcoholic beverages in licensed establishments?" and "Should TJTC be extended?"

Forty-four percent of the respondents believe that 18 to 20-year-olds should be able to consume alcoholic beverages in licensed establishments. Fifty-two percent think they should not be permitted to drink in licensed establishments, while four percent expressed no opinion. TJTC should be extended, according to 55 percent of the respondents, while 37 percent think TJTC should go. Eight percent expressed no opinion.

The survey represented responses from 3,930 foodservice establishments employing 132,390 people. According to the information provided, 65 percent of the respondents operate tableservice or limited menu establishments, 17 percent operate fast-food establishments and 13 percent operate cafeterias.

May results . . .

In the May Opinion Poll, *NRA NEWS* asked, "Should employers be required to give employees advance notice of plant closings?" and "Should the meat processing industry be required to pay for USDA inspection?"

Eighty-six percent of the respondents believe that employers should not have to give employees advance notice of plant closings. Only 13 percent favor advance warnings. One percent expressed no opinion. Seventy-seven percent of the respondents believe the meat processing industry should not pay for USDA inspection, while 22 percent think the industry should pay for USDA meat inspection. Again, one percent expressed no opinion.

The survey represents 1,944 establishments employing 37,117 people. Of the respondents, 69 percent operate table service or limited menu establishments. Seventeen percent operate fast food establishments, and eight percent operate cafeterias.

Editor's Note: Future *Your Opinion* questions will appear in the ***NRA Washington Weekly*** on an as-needed basis.

Congressmen give lobbying do's and don'ts

At NRA's State Communications and Political Education Committee in May, three lawmakers—Dan Mica (D-FL), William Goodling (R-PA) and Ron Marlenee (R-MT)—discussed effective lobbying techniques that restaurateurs can use in contacting their legislators about business issues.

Rep. Mica told the committee, "You can't assume that we're familiar with all the intricacies of your issues. You have to tell us.

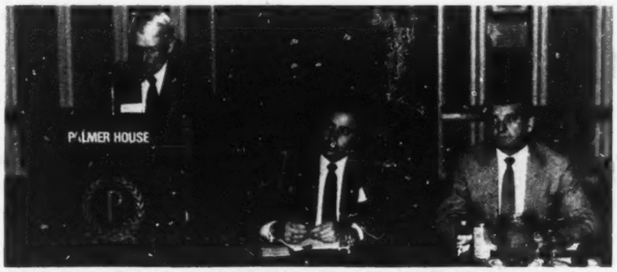
Mica said he likes to see a fact sheet outlining the major arguments on an issue. "Be specific," he said. "Give us the facts. Tell us how a proposal will affect your business in terms of sales and jobs."

Rep. Marlenee emphasized how important it is to "build a relationship" with your congressman so you can better communicate with him during a crisis.

Rep. Goodling listed six pointers for talking to a representative:

1. "Don't be negative or defensive.
2. "Don't take for granted that we know your issue. Congressmen rely on experts.
3. "Get to the point.
4. "Don't use form letters or cards.
5. "Don't come off too strong, Congressmen have ideas, too.
6. "Give some alternatives for us to consider."

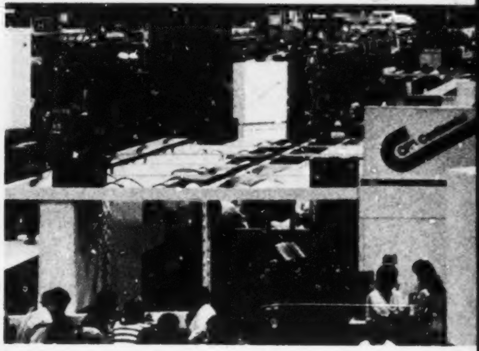
—Jay Morris
—Michelle Rabayda

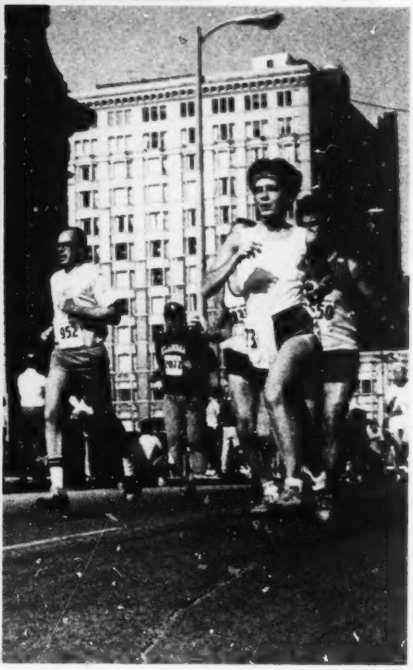


NRA State Relations Committee Chairman Marshall Scott, left, introduces U.S. Reps. Dan Mica (D-FL), center, and Ron Marlenee (R-MT), right, during a discussion of lobbying.

1985NRA

NATIONAL RESTAURANT ASSOCIATION
WINE CLASSIC





overview

The NRA Show breaks new ground each year. It reflects industry concerns, trends and innovations that stretch the horizons of foodservice. From a press conference on the business meal deduction caps to a mocktail reception, the Show reflected what is on the mind of operators everywhere.

New developments on the exhibit floor included a range of items from whipped fruit sherbets—for the health and calorie conscious—to flexible, bendable neon lights—for new decorating possibilities—to thermal bags for hot pizza deliveries.

In the management clinics and theaters, experts pinpointed state-of-the-art management techniques and operational trends that spanned the gamut from vegetables nouveau to wine tasting. Many of these presentations will appear in future issues of the ***NRA NEWS.*** In the Culinary Arts Salon, the latest food preparation techniques were expressed in their most artistic form. At press conferences, NRA dealt with pressing industry issues and introduced results of its latest foodservice research.

For the first time in the history of the NRA Show, there was a special event devoted to wine—the NRA Wine Classic, a two-day competition

SHOW

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of domestically produced Chardonnays and Pinot Noirs. "Our purpose in initiating this unique national event was two-fold: to honor the finest wines produced by our growing American wine industry and to help Show attendees feel more confident about selecting their own wines," says NRA President Balestreri, who was installed into office during the Show.

Even the attendance list made news. Among the more than 90,000 visitors who thronged to the Show this year, there were U.S. congressmen and representatives from countries as far away as India.

Not all at the Show changes each year, of course. As in years past, NRA members elected their new officers and directors at the annual membership meeting, when efficiency expert J. Peter Grace shared his observations. Later, Show attendees celebrated with the new president and chairman of the board at the Grand Banquet where the president's business partner helped create a special Italian-American menu.

The opening day program, always a special attraction, this year featured outgoing President Harris O. Machus, who spoke of NRA programs and initiatives during his year in office. Also part of the afternoon program was a video-taped message from Vice President George Bush, who congratulated the foodservice industry for being "the country's number one retailer." A hearty welcome was extended by Chicago Mayor Harold Washington, and well-known columnist and radio personality Paul Harvey entertained attendees with his lighthearted "rest of the story" anecdotes and his piercing observations about today's economy.

NRA first ladies received special recognition at the First Ladies Luncheon, where celebrated diva Beverly Sills was the guest speaker. Outstanding foodservice facilities in the Air Force were once again recognized at the Hennessy Awards luncheon, and award-winning menus in NRA's Great Menu Contest were on display in McCormick Place.

The Main Course®, a 10-kilometer (6.2 mile) race along Chicago's lakefront, was back for the fifth consecutive year. The ever-popular Convention Capers featured such well-known performers as Tommy James (of The Shondells), The Joe Cantafio Band—formerly known as Jade, Charly McClain and Buck Stove and Range Company. The Grand Banquet put its entertainment spotlight on Paul Anka.

In sum, the NRA Show was a blend of new ideas and popular regular features that created a memorable experience for Show participants.

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Special guest speakers at the NRA Show included efficiency expert J. Peter Grace, Chicago Mayor Harold Washington, radio personality Paul Harvey and NRA president Ted Balesteri

NRA Wine Classic demystifies wine

In the last decade consumption of wine by Americans has nearly doubled, yet wines continue to baffle many operators, and wine competitions—which single out the best wines available—are still viewed as cloak-and-dagger events. All this may be changing. The NRA Wine Classic, which made its debut during the 1985 NRA Show in Chicago, brought the wine evaluation process out of the backroom.

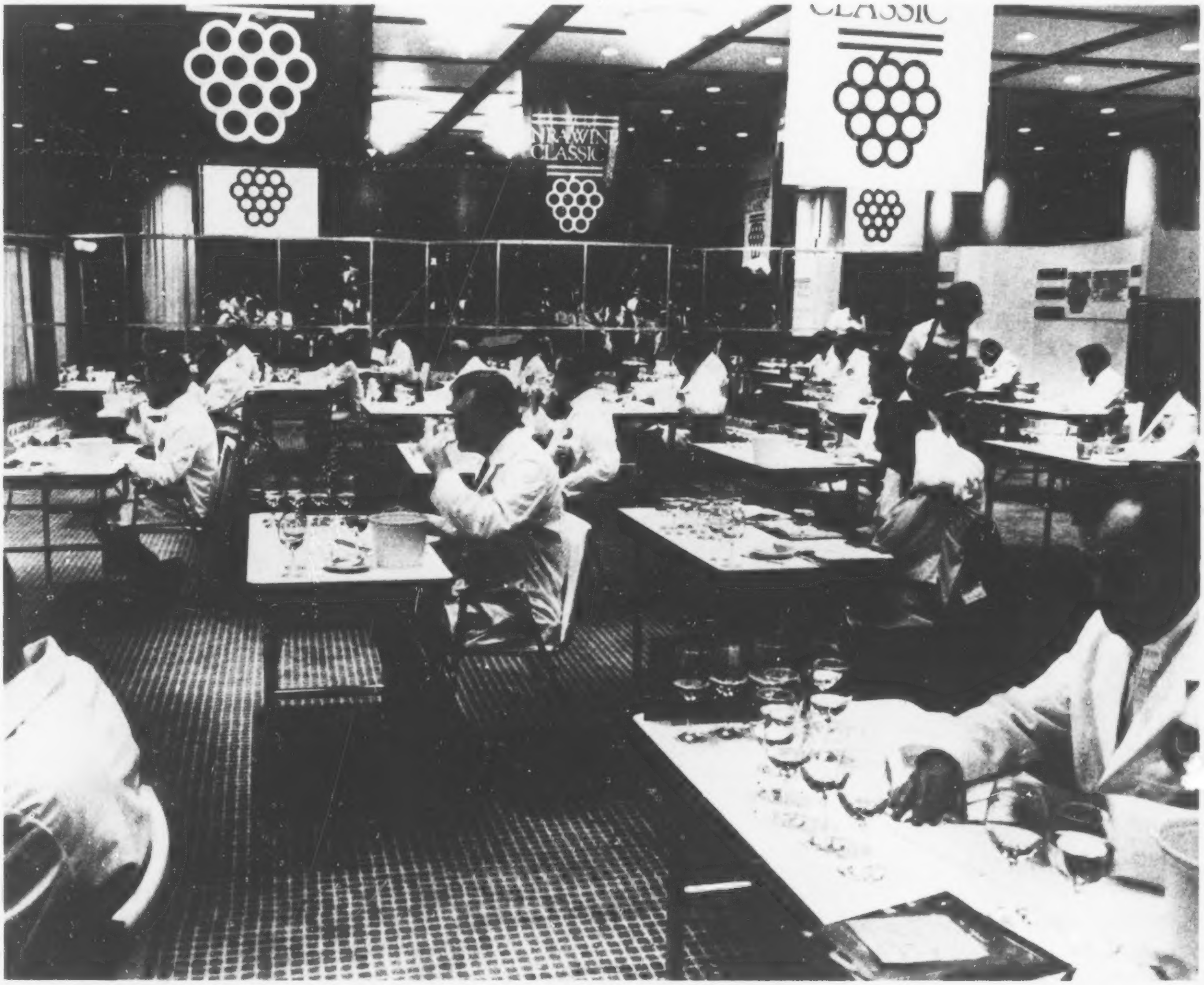
"The NRA Wine classic, the first competition of its kind for the foodservice industry, took the mystery out of wine judging," maintains David Armanesco, chairman of the judges for the wine competition. "It made wine judging something that everyone could understand and see happening."

Nearly 3,000 NRA Show attendees participated in the NRA Wine Classic, pitting their palates against those of the wine pros and watching the wine competition in progress in the Lindheimer Room of McCormick Place. It was the first time that a national wine judging was open to public viewing. The judging area, enclosed and equipped for professional tasting, was specially constructed so that Show attendees could observe the blue ribbon panel of judges evaluate the competing wines. And in a separate section attendees could participate in their own blind tasting.

The wines . . .

The two-day competition was limited to domestic wines—to honor the growing American wine industry—and to two noble grape varietals: Chardonnay and Pinot Noir. "We thought that narrowing our entries would create a more manageable and meaningful competition," notes incoming NRA President Ted Balestreri, who conceived the idea of the NRA Wine Classic. "We selected Chardonnay and Pinot Noir wines because these two varietals have shown phenomenal growth in this country and because they share a common origin in Burgundy, France."

Every bonded winery in the country (there are more than 1,000) was invited to send entries, as long as they met two criteria: (1) a minimum of

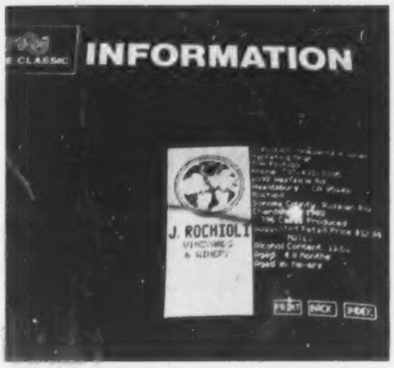


A blue ribbon panel of 32 judges evaluated 269 entries during the two-day NRA Wine Classic.

100 cases of the wine were produced and (2) the wine was still commercially available. The idea behind these qualifiers was to make certain that operators could purchase the wines for their wine lists.

Even wineries that do not normally participate in wine judging sent wines as a tribute to the foodservice industry, according to Robert Weaver, director of the 12-person technical team for the Wine Classic and president of The Society of Wine Educators. All wines were donated.

In all, there were 269 entries from 10 states. Of these, 203 were Chardonnays and 66 were Pinot Noirs.



A Teletex computer was programmed to print the wine labels as well as other pertinent information.

The 13-member technical team, consisting of Robert Weaver and other wine lovers, including an ophthalmologist and a pharmacist, coded every bottle of wine to assure anonymity.

Moderation is the key

Posters, pamphlets, table tents and service training materials were distributed on the exhibition floor by beer, wine and liquor suppliers. They were not advocating another drink for the road, however. Liquor suppliers are as concerned as foodservice operators about overconsumption. A poster distributed by a major beer producer states, "Anything less than responsible consumption of alcoholic beverages is detrimental to the individual and society." A rum producer's poster suggests that rum can be mixed with everything except driving. Another liquor supplier's brochure advocates "Drinking with Intelligence." Ask your local distributors to supply you with these materials.

Show attendees could test their palates against those of wine pros.

The Chardonnays were from 1980, 1982, 1983 and 1984, and they ranged in retail price from $1.99 to more than $25.00 per bottle. The Pinot Noirs were from 1978 through 1984, and they ranged in price from $3.99 to more than $25.00 a bottle.

There were 3,228 bottles of wine sent for judging. Each was numbered with random numbers assigned by computer. In this way, the identity of the wine was kept secret so that no obvious biases were at work during the competition.

The judges . . .

Thirty-two prominent wine writers, sommeliers, hoteliers and restaurateurs from across the country made up the judging panel. It was the first time that people from the foodservice field were included—a first applauded by Weaver because "these people have to live on their palates."

"I expected to see a big gap between columnists and critics on one side and restaurateurs on the other. But it didn't happen; every one came together with opinions," observes NRA Wine Classic Judge Fred Dame, master sommelier and cellar master of the Sardine Factory in Monterey, CA.

The judging took place in an enclosed area, shut off from sound and outside odors. Each judge donned a white coat and sat at a separate table, equipped only with glasses of wine to be tasted, bread, water, tasting sheets and a bucket for discarded wine (since judges usually do not swallow the wines they taste).

There were three stages to the judging process: pass/fail, medal determination and Best of Show.

During the first stage, each judge tasted a maximum of 15 wines during every 20-minute round. At least five judges tasted each wine. When all the wines were sampled , 40 Pinot Noirs and 135 Chardonnays were eliminated.

During the second stage of the competition, every judge tasted every wine, rating each entry on a 10-point scale. The judges evaluated appearance (color/clarity), aroma/bouquet and taste. They also indicated medal preference (no medal, gold, silver and bronze).

During the final stage of the judging, every judge tasted the highest scoring wines to determine the Best of Show. Only in this round were opinions discussed and defended.

NRA WINE CLASSIC
NRA WINE CLASSIC
NRA WINE CLASSIC

The NRA Wine Classic set a number of precedents, including opening wine judging to public viewing.

The audience . . .

While the judges tasted and rated the wines, NRA Show attendees lined up to watch through a plexiglass partition. Every 20 minutes a new group of up to 100 Show participants was led into the viewing area. To pass the time before entry, Show participants could view a video of wine experts offering wine tasting tips. Once inside, they were seated on tiers that were set up opposite the partition. A guide told participants about the wines, the judges and the judging process as they watched the judges evaluating the wines.

"I thought it might be distracting to be watched by people, but after an initial adjustment, it really wasn't a problem," commented NRA Wine Classic Judge Patrick Fegan, Chicago-based wine writer and founder of the Chicago Wine School.

The Show attendees did more than watch, however. When the observation tour concluded, they were invited to taste some of the wines being evaluated by the cloistered judges. According to technical director Weaver, four out of the six gold medal winning Chardonnays and one out of the two winning Pinot Noirs were sampled by NRA attendees.

To heighten the excitement of matching nose to nose and taste buds to taste buds, all participants were promised a followup mailing of NRA Wine Classic results so they could compare their own scores with those given by the judges. For those who wanted more information right on the spot, it was a computer button away. A Teletex computer was programmed to print the wine labels and such relevant information as number of cases produced, suggested retail price and alcohol content as well as other competition data, including the geographic distribution of the wines. To access this data, Show attendees simply entered the wine code given during the tasting. They could keep the printouts for future reference as well as a souvenir pin distributed at the door.

The winners . . .

The results of the NRA Wine Classic were announced at a luncheon at Chicago's 95th Restaurant, held the day after the final competition. Until that luncheon, the identities of the wines had been kept strictly confidential.

"When the NRA offered to fly the two Best of Show winery winners to Chicago to accept their awards, it was clear the association expected the winning wineries would be from out of town, say California or Washington," reflected NRA Wine Classic Judge Kristine Curry of the *Chicago*

NRA Wine Classic Winners

Best of the Show

Chardonnay:

- Lynfred Winery 1983 Private Reserve

Pinot Noir:

- Calera 1982 Jensen Pinot Noir

Gold Medal

Chardonnay:

- Acacia Winery 1983 Chardonnay, Winery Lake Vineyard
- Kendall-Jackson 1983 Chardonnay, "Proprietor's Reserve"
- Folie a Deux 1983 Chardonnay
- Rutherford Hill 1980 Chardonnay, Jaeger Vineyards
- Chappellet 1982 Chardonnay

Pinot Noir:

- ZD 1981 Pinot Noir

Silver Medal

Chardonnay:

- Louis Facelli 1983 Chardonnay
- Raymond 1983 Chardonnay
- Flora Springs 1983 Chardonnay
- Franciscan 1983 Chardonnay
- Domain San Martin 1983 Chardonnay
- Clos du Bois 1983 Chardonnay, Flintwood Vineyard

Pinot Noir:

- Robert Mondavi 1981 Pinot Noir "Reserve"
- Roudon-Smith 1981 Pinot Noir
- Frick 1980 Pinot Noir

Bronze Medal

Chardonnay:

- William Baccala 1983 Chardonnay Estate
- Alpine Vineyards 1983 Chardonnay
- Franciscan Vineyards 1982 Chardonnay "Reserve"

Pinot Noir:

- HMR 1980 Pinot Noir Estate "Reserve"
- Saintsbury 1983 Pinot Noir
- Montali 1982 Pinot Noir, "Proprietor's Series"
- Clos du Bois 1980 Pinot Noir, "Proprietor's Reserve"
- Whitehall Lane Fleur d'Helene 1983

Tribune. "But Fred Koehler, owner and winemaker of Lynfred Winery, foiled those plans by just requiring gas mileage from his winery in Roselle, IL, just 20 miles outside of Chicago."

Koehler's 1983 Lynfred Winery Private Reserve Chardonnay (produced from 100 percent California grapes transported to Illinois in refrigerator trucks) took top honors in its category. But the win was no coincidence. Less than 30 days before, the same wine tied for "Sweepstakes" honors at the Harrah's National Wine Competition in Reno, NV. "When a wine can prevail in a field of hundreds of Chardonnays at both events, it must be a pretty special wine," observes syndicated wine columnist Jerry Mead, also a judge in the NRA Wine Classic. Mead believes that is important to compare results between judgings to pick the real winners.

Top honors in the Pinot Noir category went to Calera 1982 Jensen Pinot Noir. "Although less of a surprise, it was no less of a wine," maintains Jean T. Barrett of the *Chicago Sun Times*. "The quality of this wine—raspberry scented, Burgundian, briary red—reinforces my opinion of Calera's owner, Josh Jenson (who flew to Chicago to accept his honor), as the best producer of Pinot Noir in California." (See sidebar for a list of other winners.)

"We found wines that are drinkable, that restaurateurs can purchase and put on their wine lists and make a profit selling," says NRA Wine Classic Judge Dan Berger, wine columnist for the *San Diego Union*. "We tried to find wines that not only taste good now but also taste good with food.

"I hope that this competition continues for many years to come. Right now in its first year perhaps the importance is not going to be seen, but five years from now we are all going to be pleased that we were in on the formation of something very significant."

NRA Wine Classic Judges

Jean T. Barrett
Chicago Sun Times

Dan Berger
San Diego Union

Nathan Chroman
Los Angeles Times

Paul Coss
The Broadmoor

Kristine Curry
Chicago Tribune

Fred Dame
Sardine Factory

Phil de Vito
Salishan Lodge

Patrick Fegan
Chicago Magazine

Alan Fields
Helmsely Palace

Bruce Galphin
Atlanta Journal

Craig Goldwyn
International Wine Review

John Grisanti
Gristanti's Restaurant

Eric Hansen
Capula Bay Hotel

Mort Hochstein
Nation's Restaurant News

Matt Kramer
The Oregonian

Mike Lonsford
Houston Chronicle

Jerry Mead
Syndicated columnist

Paul O'Connell
Daily Herald

Ed Osterland
Restaurant Business Magazine

Bill Pigatti
Del Rio Restaurant

Ross Racine
The Grand Mere

Norm Roby
The Wine Spectator

Bob Rohden
Geja's Cafe

Mary Ross
The 95th

Robert Rosselini
The Other Place

Paul Ryan
Pierces 1894 Restaurant

Anthony Taylor
The "21" Club

Vittorio Treppo
Williamsburg Inn

Madeline Triffon
La Fontaine Restaurant

Joshua Wesson
Huberts

Anders Westboe
The University Club

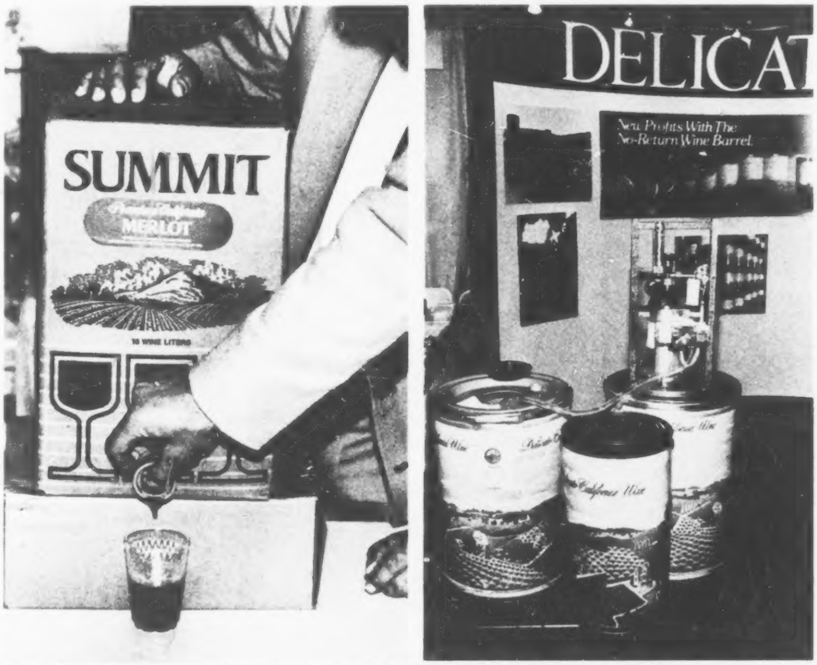
Kevin Zraly
Windows on the World

Wine information elsewhere at the Show

The message on the Show floor and in the management clinics echoed that of the NRA Wine Classic: Wine need not be intimidating.

Harriet Lembeck, director of the wine and spirits program at the Waldorf Astoria Hotel in New York City, taught Show attendees "How to taste wine like a pro." During her clinic, she concentrated on the five "s's" of tasting: seeing, swirling, sniffing, savoring and swallowing.

She told her standing-room-only audience how to examine the wine bottle, label and cork and how to interpret the wine's hue, brillance and density. She explained how swirling the wine in the glass is not an affectation: It releases the bouquet so that smelling the wine can yield the most information. She discussed the various taste receptors on the tongue



Wine doesn't only come in bottles. New packaging includes boxes and cans.

and how they indicate a wine's sweetness, acidity, tanin and alcohol content; and she commented on the wine's aftertaste, finish and balance.

"There is no learning experience like a blind tasting where you force yourself to make an opinion," she said. "Don't be afraid of being wrong. We are not born into the business. We are all learning. It's not a great crime to make a mistake. The fun is in guessing."

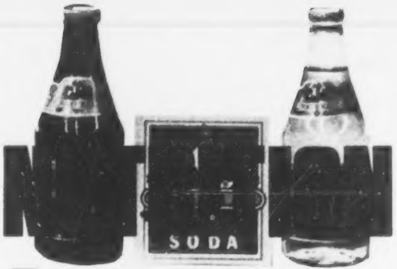
The more than two dozen suppliers on the Show floor had a similar message: Wine can be inviting and a source of profit for a restaurant.

Several exhibitors displayed 18-liter bottles of wine, which they were introducing at the Show in hopes of winning favor as house brands. Others promoted disposable kegs and wines in boxes—convenient packaging for wines that are meant to be drunk now and not put away for the future. One exhibitor who featured a Chardonnay in a box, touted the package for its light weight, its unbreakability, its adaptability to standard soft drink dispensing equipment, its large holding capacity, and perhaps, most importantly, for its hermetic seal which insures against oxidation.

Other wineries focused on the combination of wine with foods, one even provided a chart of suggested pairings. And one western state's department of agriculture not only produced a recipe book to demonstrate how "the marriage of food and wine brings the best of both to the table" but also highlighted its marketing program, which helps operators customize their wine lists.

Champagne producers were represented as well and several featured techniques for personalizing bottles of their product. This, they maintained, would add to the marketability of the champagnes, especially during special occasions, such as New Year's Eve, wedding celebrations and birthday parties.

Marketability was also on the minds of wineries that were introducing blush wines (now experiencing a new wave of popularity) and white wines that were blended to be neither too sweet nor too dry. For those operators catering to markets where wine coolers have become a popular beverage, there were new flavors on the Show floor this year, including an orange variety that tastes like a mimosa.



The Show's how-to health and fitness did not end at the finish line of the Main Course race. Both the exhibit floor and management clinics made it clear that the public's concern for health is penetrating the foodservice industry.

At the clinics . . .

The topic of nutrition was addressed in two separate clinics: "Light and low" and "What's all this health and fitness stuff?" The first clinic brought together a marketing director, a cardiologist and an educator who shared their experiences about bringing lighter, leaner and more nutritious foods to foodservice operations.

According to the panelists, those who had the foresight and courage to respond to the demand are thriving. "The founders of El Pollo Asado (an Arizona-based fast food chain) recognized the potential for charbroiled chicken that has been marinated in a blend of fruit juices, herbs and spices," reported Donn Seidholz, the firm's vice-president of marketing. This chicken has half the calories and cholesterol of a batter-fried version and has been endorsed by the American Heart Association. Plus, it's profitable. Seidholz said that in 1984 annual sales per unit averaged $728,000.

Concern over the death rate from heart disease prompted Chicago cardiologist Antonio Chan to develop Xian, an Oriental fast food restaurant chain. Xian, which in Chinese means healthy eating, features stir-fried dishes that meet or exceed the American Heart Association's guidelines; the items are low in cholesterol, fat and calories.

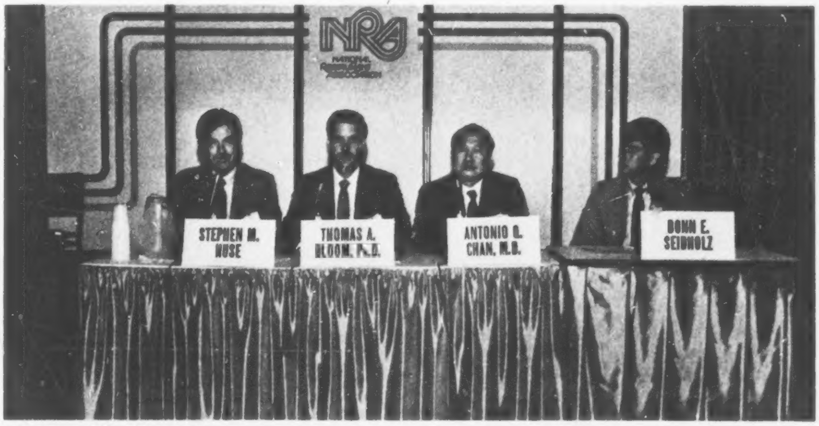
Other industry segments are also following the trend. That is why last year the Culinary Institute of America (CIA) launched a nutrition education program. At the clinic, Thomas Bloom, CIA's director of academics, outlined the program, which was developed in consultation with the staff of the New York Medical College.

As part of the program, CIA hired a registered dietitian and provided students with a restaurant for hands-on experience.

The message of the "Light and low" clinic was echoed in "What's all this health and fitness stuff?" According to clinic leaders Denise Minchella and Robert Copeland, nutrition is a key component of the health and wellness concept that's sweeping the corporate world.

On the floor . . .

The movement toward nutrition, health and fitness was also reflected on the exhibit floor where attendees could examine such items as exercise equipment, low-fat venison from New Zealand and cholesterol-free frozen desserts. Fruit juice-based ices, glaces and whips are rapidly growing developments that complement the tofu and yogurt-based ice cream substitutes of years past. Many of these products were premiered at the Show.


STEPHEN M. HUSE
THOMAS A. BLOOM, Ph.D.
ANTONIO C. CHAN, M.D.
DONN E. SEIDHOLZ

"Light and Low" panel

Operators enjoy educational sessions.

The Frugal Gourmet

In 1765, the first French restaurant in history opened in Paris. Above the entrance hung a sign which read, "Come unto me all you whose stomachs suffer, and I will restore you." The word "restaurant" was derived from that word "restore."

This was one of many little-known historical facts presented by Jeff Smith, star of the television show *The Frugal Gourmet* and author of the best-selling book of the same name, during a light-hearted but insightful program at the Show. Light-hearted because of Smith's amusing, enthusiastic delivery; insightful because he didn't just present facts, he interpreted them as well.

For instance, he lamented how far many restaurants in today's society have drifted from their original purpose "to restore." "Don't hustle your customers in and out if you can help it," he advised. "Remind your staff that the basic niceties are more important than turning tables."

He suggested that most people go to restaurants in search of company rather than food. "After all," he said, "the word 'companion' in Latin breaks down to 'com,' meaning 'with,' and 'pana,' meaning 'bread.' Originally, companionship implied eating a meal with someone."

We must return to that spirit," he urged. "Until recently, enjoyment of food was considered self-indulgent. If we enjoyed food we were guilty of the two most serious of the seven deadly sins—sloth and gluttony." But, he said, times are changing. "People are more interested in coming together to enjoy good food. That bodes well for restaurants."

Vegetables nouveau

Exotic fruits and vegetables are jazzing up menus across the country, adding colorful new tastes and textures.

"The market for these kinds of fruits and vegetables, especially in the competitive restaurant business, has spiraled to what is today an ever-changing and rapidly moving industry," explained Walter Martin, partner of The Flying Foods International, a specialty fruit and vegetable supplier in Long Island, NY. "Every day there's something new coming on the market. It's very exciting," added his partner, Andy Udelson.

The audience listened intently as Udelson and Martin offered descriptions and serving suggestions for several categories of unusual fruits and vegetables, including

- **salad-type vegetables,** such as fiddlehead ferns, which have a crunchy, almost woody flavor
- **miniature vegetables,** including baby gold beets (bright gold in color and particularly good steamed) and haricot verts (tiny string beans from France)
- **specialty fruits,** such as the New Zealand feijoa, which makes a wonderful semi-sweet sorbet, and bitter melons which are delicious stir-fried
- **root vegetables,** such as jicama (root of a variety of the Mexican Morning Glory that tastes somewhat like a sweet potato) and celery root, which has an even sweeter flavor
- **mushrooms** of many different sizes and shapes, including the eight-inch wide oyster mushroom from Italy.

These are just a few of the examples mentioned by Udelson and Martin. Look for a more extensive report, complete with pictures and serving suggestions, in an upcoming issue of ***NRA NEWS.***

Woman as 'boss'

A standing-room-only crowd attended "Woman as 'Boss,'" an NRA management clinic presented in cooperation with the Roundtable for Women in Foodservice.

Roundtable President Dianne Davis presided over a panel of three women bosses representing three different areas of foodservice: Caroline Adams, an independent operator (Strongbow Inn, Valparaiso, IN); Deanna Hormel, a supervisor for Hallmark Cards, Kansas City, MO; and Ruby Pucket, supervisor for the University of Florida Foodservice. Davis solicited questions from the audience and then presented them to the panel. Some typical questions were "Do male employees resent you because you're more successful than they are?" "Does your staff expect you to be a 'softie' because you're a woman?" "How do you build credibility in the eyes of your male—and female—employees?"

Connellan

Thomas Connellan

Thomas Connellan, one of the country's leading authorities on management practices and human behavior, concentrated on the keys to maintaining excellence. He warned that managers sometimes forget the important role they play in creating a flexible environment. "If a manager is inflexible, the entire operation and everyone in it will become inflexible. Once inflexibility sets in, maintaining success is almost impossible," Connellan warned.

Connellan also focused on personnel management and the importance of goal setting and feedback. Setting goals is not as easy as making demands on the people who work for you, Connellan explained. Goal setting should be a joint effort between employers and employees. Managers should tell employees what they need as well as what they would like to have. "Tell your staff what to shoot for, but also give them the minimum they should achieve," he said. "For example, tell an employee that you need a report by August 15, but that you would like to have it by August 1.

Trillin

Calvin Trillin admits he's often accused of not being serious enough about big issues. But, as Show attendees learned, the author of *American Fried*, *Alice Let's Eat* and *Third Helpings* has several very serious concerns.

Trillin applauds the current trend toward eating real American foods. "Americans are realizing that what they eat and what they like to eat is okay. They don't have to be ashamed of it. Now we have people that are real American chefs. That's a big cultural change, and it's a good one."

Among his favorite regional foods are Cajun dishes and barbecue from his hometown—Kansas City. He is, however, relieved that there are still some unsmoked pigeons left in San Francisco.

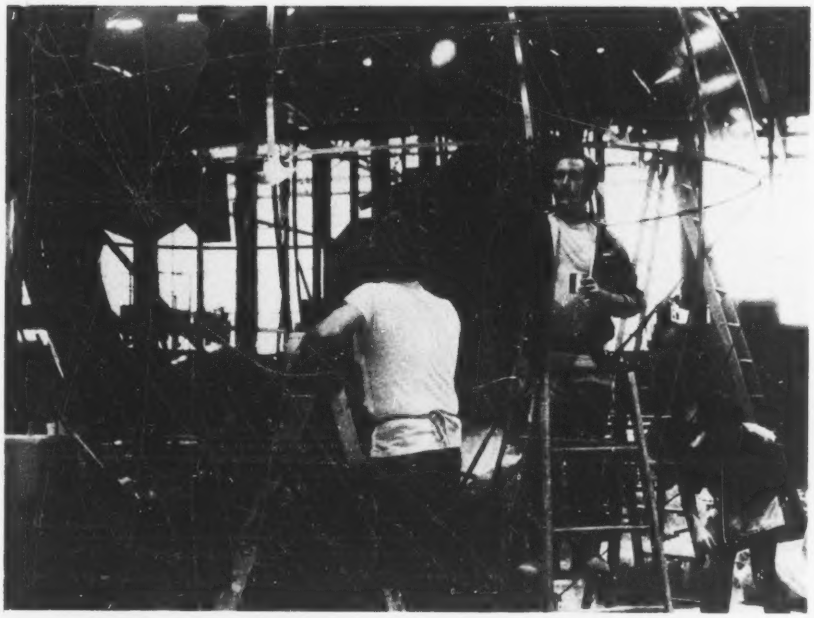
NRA
NATIONAL RESTAURANT ASSOCIATION

Critics disagree on their role

Critic Kelson always wears a disguise.

During the management clinic "Stars and Gripes," which brought together a group of foodwriters, restaurant critics and foodservice consultants, William Rice, editor-in-chief of *Food and Wine* magazine, warned that the restaurant critique is the least defined of the critical arts. Howard Young, *San Francisco* magazine's foodwriter for more than 20 years, agrees that being a restaurant critic is subjective. Young therefore classifies himself as a restaurant writer who tells people only where they may want to dine and avoids writing about restaurants they won't want to visit.

While examining the role and responsibilities of a restaurant critic, the panel agreed that food critics have an obligation to their readership not the restaurant they are reviewing. They disagreed, however, on how a restaurant visit should be conducted. Allen Kelson, editor-in-chief of *Chicago* magazine, who is renowned for wearing disguises while visiting restaurants, believes it is essential for a critic to visit a restaurant incognito. Kelson wore a skier's mask throughout the panel's discussion. In contrast, Young stated that anonymity does not make any difference because the food will be the same in the end. Rice concluded, "In today's market, dining out may be more a form of entertaining than a culinary experience where food is only one of the crucial elements."



Putting the Show together

From the opening preview on Saturday morning to the official closing on Wednesday afternoon, almost 92,000 people attended the 66th Annual NRA Show. What did these people see as they entered the three great exhibit halls at McCormick Place? They saw row after row of exhibit booths, covering acres of floor space spotlighting foods, equipment and related products.

NRA's convention committee and staff begin preparations for each year's Show—planning, upgrading and making necessary reservations and arrangements—as far as a year in advance. But it is on the Monday before the Show opens that many of the plans are first put into action, when actual set-up begins at McCormick Place.

On Monday, the first of 2,000 carpenters, plumbers, painters and decorators are put to work, readying the immense hall. The Show floor is marked, allocating space for booths ranging in size from 8′ × 8′ to 40′ × 150′. The huge overhead NRA banners are hung, and the first deliveries begin arriving.

Tuesday through Friday morning is spent receiving the 1,400 exhibitors, products and displays. A total of 4,000 trucks make deliveries at the convention hall. Supplies for bigger exhibits arrive earlier in the week, and smaller, table-top exhibits arrive later. Although actual booth construction is done by union workers, thousands of exhibitor personnel are on hand to assist and direct.

On Friday evening, last-minute preparations are made. Loading dock doors are shut, and boxes and crates are removed from the Show floor. Miles and miles of aisle rugs are taped down, a task which has carpenters working well into the night. Exhibitors make final inspections of their booths. The Show's famous "garbage patrol," a staff of 200 area kids, who wear T-shirts emblazoned with the slogan "We Want Your Garbage" and who maintain strict garbage control throughout the Show, is carefully briefed.

And then—it's Showtime. On Saturday morning, as distributors, suppliers and press are admitted for the opening preview, it's mind-boggling to imagine the speed and efficiency with which everything has been put into place. Says O'Neal, "From the first impression to the last, the Show is extraordinary. Much of the credit goes to the hard-working people who put it together."

RSHIP RECORDS
CASHIER
Tired of going it alone?
Prize Donated
MICRO BUILT INC
BOOTH 2052

NRA allied member David Thomas, national accounts manager of Microbilt, Inc., looks on as the winning card is selected in the NRA New Member Drawing at the Show. Norm McDougall of Carlton's Dining Establishment, Brighton, MI, was the lucky winner of more than $20,000 worth of computer hardware and software donated by Microbilt.

1985
THE BEST PIECE
OF THE SHOW

Hartmut Handke of the Athletic Club of Columbus (OH) was presented with the "Best Piece of the Show" award during the 1985 Culinary Arts Salon.

Managing on the Show Floor

In our increasingly service-oriented economy, it's not surprising that foodservice managers researching the Show floor this year discovered more experts in more areas than ever before.

For the foodservice operator, the expertise available at the Show went far beyond the demands of day-to-day kitchen and dining room operations.

On the move . . .

If an operator was looking for a new look, a new image or a new building, designers were on hand to fit an operation into its target market. One exhibitor promoted the advantages of a restaurant that can be moved from location to location. If location is really the bottom line in the restaurant business, he argued, the relocatable unit gives an operator the means of finding out—near the ski slopes during the winter and at the golf course during the summer. Built much like a mobile home, the relocatable store offers all the conveniences of a real unit and can be designed to fit specific needs.

Picking your people . . .

If an operator was in the market for new employees rather than new surroundings, management recruiters exhibiting at the Show were ready for the job. Not only can recruiters help an operator find qualified employees, they also can help test employee potential.

Controlling energy and profits . . .

Hiring an energy consultant to monitor utility bills can cut energy bills substantially, claimed another exhibitor. Operators need only take a look at complicated monthly tallys on their utility bills to discover that a specialist is called for, he said.

Operators looking for additional profit centers could explore the new pay telephone systems introduced at the Show. With the divestiture of ATT and the development of sophisticated electronics, business owners can now buy their own pay phones and set the rates. Additional profits can add up to $1,000 a month.

Thermal bags insure hot pizza delivery.

Video is also ready for the restaurant industry in a variety of formats. In today's visually-oriented society, video may be the calling card an operator needs to increase traffic. Exhibitors displayed video juke boxes with two and one-half foot screens at a dollar a cut. For the more sophisticated video audience, another supplier offered eight hours of free video programming per month, including music, sports, comedy and some of the hottest video advertising on the market. Free tapes are automatically sent to subscribing restaurants if an operation will air them the required number of times per month. The advertisers foot the cost.

You name it . . .

There were other ways to increase the exposure of a restaurant's name in the marketplace. Exhibitors were on hand to reproduce a restaurant's logo on anything from lollipops and wet wipe towelettes to thermal pizza carryout containers and mural size posters.

Exhibits reflect demand for efficiency, convenience

Today more than ever, consumers are demanding high quality products—delivered in a hurry. Judging from many of the exhibits displayed on the NRA Show floor, the foodservice industry is right in stride with today's fast-paced lifestyles. From new innovations in computerized service to an increase in catering and carryout supply options, the exhibitors at this year's Show seemed well prepared to meet the increased demands for efficiency and convenience.

New hand held computer relays customer orders instantly.

Computers, computers computers . . .

Computers continued to make significant inroads into all areas of restaurant operations this year. The sheer number of computer exhibits at the Show indicates that the computer age is no longer up and coming. It has arrived.

One first-time exhibitor introduced a new hand-held computer terminal system that enables servers to place food and beverage orders directly from tables. The order will immediately show up on terminals at the bar or kitchen. Thus bartenders can begin mixing drinks and chefs can start preparing appetizers before the server finishes discussing the wine list and menu with customers. And in response to the growing number of restaurateurs who are adding banquet rooms and/or catering to their operations, one exhibitor presented an entire software package designed exclusively for catering or convention management.

Catering, carry-out supplies . . .
More than 25 exhibitors displayed items designed specifically for catering or carry-out services—everything from multi-colored disposable plates to disposable platters made to look like ornate silver. In fact, disposable items that could be used for formal catering functions attracted the interest of many Show-goers who were considering expanding their operations to include catering. Explained one exhibitor, whose product was disposable table cloths made to look like linen, "Disposable items eliminate the need for excessive up-front expenditure when starting out in the catering business." The tablecloth packages included longer cloths for conference or banquet service tables.

Many packaging products were also on display—products that were guaranteed to deliver hot food hot and cold food cold. Most of these packaging products were appropriate for both catering and carry-out. One exhibitor who displayed thermal delivery bags, which could transport everything from pizza to ice cream, says caterers have been slow to realize the advantages of packaging products individually. "Caterers tend to think big or not at all," he maintained. "They don't realize that not everything needs to be delivered in refrigerated trucks." The thermal bags have an added advantage of doubling as a marketing tool, since a restaurant's logo can be imprinted on the front.

Another packaging innovation on the Show floor was a light cardboard carton which could easily transport up to six individual trays of food, each tray compartmentalized to hold hot or cold items. And finally, one exhibitor displayed a line of assorted styrofoam containers, all embossed with the cheery slogan, "Have a nice day."

Treats for grazers

Restaurant patrons continue to sidestep the traditional meal of several courses for a bite on the run or a mix and match combo of appetizers, light entrees and/or desserts. In response to this growing trend, called grazing, exhibitors rolled out a tempting array of items that could easily be served as small entrees, light dishes or appetizers.

THE NEW 'GOOD FOR YOU' FROZEN DESSERT
• 100% All Natural
• Cholesterol Free
• High in Protein
• Parve
• Made with Real Tofu

Tofu-based desserts are catching on.

New twist to old favorites . . .
Since grazers want convenience with sophisticated variety, many suppliers have given old favorites a new twist.

Hearty soups, for instance, are now available in flavors that range from Cuban black bean soup with smoked sauces to Creole chicken gumbo. For an interesting presentation, one supplier suggested carving out a six-ounce sourdough round loaf and filling it with a savory stew or soup.

Tempting appetizers . . .
Although almost any food can be adapted to capture a grazer's fancy, ideas for appetizers and snacks—the heart and soul of the grazing movement—were widespread at the Show. The growing popularity of nuggets was particularly apparent, ranging from small pieces of breaded catfish to spicy Cajun chicken bits. Small cheese balls filled with chewy mozzarella or hot jalapenos were available, as were taco nuggets containing beef, cheddar cheese and piquant spices. A wide variety of dipping sauces, such as tangy barbecue and sweet mustard, were on hand to complement the various nuggets.

Other creations included miniatiarized versions of traditional favorites, such as bite-sized quiches, mini-cheesecakes (individual 2¼ ounce servings) and mini-bagels—perfect for creating unusual hors d'oeurves.

Sandwich combinations now include pita bread pizzas, rye muffins with all the traditional Reuben fixings and hot dogs wrapped in bagels. For the health conscious, a new low-cal, no-sugar hot dog was introduced at the Show. New fillings for entree croissants were also piloted. Ratatouille has now joined the ranks of other popular favorites, such as spinach and feta cheese. Salad suppliers have expanded their pre-mixed lines in reponse to customer demand for new and varied tastes. One exhibitor added an international line with such items as Oriental Chicken Salad and Pasta Salad with Pesto and Crabmeat.

Breakfast bonuses . . .
Breakfast favorites are making inroads during other times of the day as well. Take muffins for instance. They have been adapted for the main meal with such ingredients as zucchini, cheddar cheese and carrot and sweetened for dessert with chocolate chunks and marshmallows.

For the sweet tooth . . .
Skipping a main course to save room for dessert is a typical grazing tendency. Here, too, customers want variety. Sometimes they opt for rich desserts regardless of the calorie cost while at other times they search for low-cal, more nutritional treats.

Among the low-cal offerings were a whipped frozen dessert made from real fruit juices totaling only 20 calories per ounce; tofu-based frozen treats with no cholesterol and lactose and very little fats and sodium; and a refreshing iced puree of real fruit and juices costing only 25 calories per ounce.

On the other side of the fence were rich cheesecakes with such mouthwatering flavors as raspberry and triple chocolate chip and a rich assortment of cookies, from cinnamon walnut to mocha chunk.

Grand Banquet: Culinary highlight

Balesteri accepts nomination for the NRA presidency as his wife, Velma, looks on proudly.

For the 1,000 NRA members and guests who filled the grand ballroom of the Hyatt Regency Chicago on Tuesday evening, May 21, the Grand Banquet was undoubtedly the culinary highlight of the Show. The guest of honor was incoming NRA President Ted Balestreri, and the six-course banquet reflected his style.

Chef Bert Cutino, Balestreri's partner and executive chef at The Sardine Factory, joined Chef Janos Kiss of the Hyatt Regency Chicago in planning the banquet at the special request of the new NRA President.

"Ted wanted everything to be just right," he explains. "He wanted to treat the 1,000 people who would be at the banquet with the same attention to detail, the same concern for quality that we would treat a party of two at the Sardine Factory."

Says Chef Kiss, "Each course of the meal represented a team effort. Chef Cutino would present an idea, then I would come back with modifications, depending on what ingredients I knew would be available. Or I would make a suggestion, and he would make his modifications. In this way, we worked together to develop a complete menu."

The end result was, as Cutino puts it, a "marriage of two cuisines," both with special significance to Balestreri. Although the dishes were predominantly Italian, in recognition of Balestreri's ethnic origin, they featured fresh ingredients and cooking methods indigenous to the state of California—a salute to the regional heritage of the new NRA president. And, of course, the vintage wines that accompanied each course were selected by Fred Dame, master sommelier at the Sardine Factory.

Each course a blend of ideas and cuisines . . .

What did banquet guests have to look forward to that evening, as they adjourned from the opening champagne reception to the elegantly laid tables in the Hyatt's grand ballroom? Avows Cutino, "We tried to present the best we had to offer. We made each course as innovative as possible. After all, we were serving our peers. Our names were on the line."

The first course of the evening was already waiting at each place as the guests took their seats. Centered on each gilded plate was a pasta pouch filled with calamari, scallops, shrimp and black and green olives, tied with a single leek and served on a bed of red and green pepper kooli (sauces). Cutino describes the pouches, called Frutti di Mare Sacchetto, as the meal's signature item. Chef Kiss developed the pasta pouches. The calamari and olives used in the pouches were Californian, and they were served with a light, dry sherry.

Next came Tortellini Alla Pescatora, seafood tortellini nestled in a ring of tomato spaghettini and served with pesto sauce. The spaghettini was arranged on each plate to resemble a bird's nest, and the hand-made tortellinis, stuffed with smoked salmon, provided a striking visual contrast. This course was accompanied by a light Chardonnay.

The third course, apricot sorbet with a pin cushion protea flower garni, refreshed the palate in preparation for the main course.

The fourth course, Medaghione di Vitello con Filetto di Vitello, featured a medallion of veal and a tournedo of veal, served on an artichoke bottom. According to both chefs, this course more than any other was a product of their combined expertise. "We knew we wanted veal, but we weren't sure how it should be presented," recalls Kiss. So, many experimentations later, Cutino created a sun-dried tomato sauce that enhanced but did not overwhelm the meat's natural flavors. The dish was served with sauteed baby fresh vegetables—a staple of California cuisine—and Rotolo Primavera, a pasta wheel stuffed with spinach and ricotta cheese. The entree was accompanied by a Cabernet Sauvignon.

For dessert, Cutino wanted a dish that would "unquestionably, say 'California.' And what's more 'California' than grapes and raisins?" So Chef Kiss worked with these ingredients and came up with a fresh grape linzer torte, served with fresh raspberry timbale and white raisins. A late harvest Riesling complemented the torte.

The final course of the evening was tea, coffee and a premium Napolean cognac.

PENNSYLVANIA DUTCH
PENNSYLVANIA DUTCH

PALMER HOUSE
P

Congressmen visiting the NRA Show sampled the best in restaurant fare, visited with constituents on the Show floor and briefed the NRA Board of Directors. From left to right are: U.S. Reps. James Jeffords (R-VT), William Goodling (R-PA) and Ron Marlenee (R-MT).

Congressmen see the Show

For the second year in a row, NRA invited members of Congress to see firsthand the industry's best and latest developments in foodservice technology under one roof. Five congressmen attended the Show this year as part of NRA's congressional visits program.

As in last year's visits, congressmen toured the Show floor, conferred with industry leaders, participated in an NRA political education forum and dined at some of Chicago's finest restaurants.

Like many first-time Show-goers, they were struck by the size and diversity of the industry, and they expressed a desire to return again. Best of all, they carried back to Washington a greater understanding of the restaurant business.

"The Show was a great opportunity to learn about your industry and about the issues affecting your members," said Rep. Dan Mica (D-FL) of the experience.

The congressmen were paired with restaurant executives from their state for a VIP tour of the Show floor, including stops at exhibitors operating in their district or state.

Rep. William Goodling (R-PA) said he was delighted to find four of his constituents exhibiting at the Show as well as a number of others from his home state.

Goodling and Mica's praise for the Show was echoed by their other colleagues, including Reps. Jim Jeffords (R-VT), Ron Marlenee (R-MT) and John Bryant (D-TX).

Immediate Past President Harris O. Machus at the buffet table.

First political education fundraising gala

NRA President Ted J. Balestreri chats with "Salute to the States" dinner star Tony Bennett.

A colorful array of state flags and a 15-foot red and white carnation banner spelling out "Salute to the States" welcomed more than 300 NRA members and industry representatives to NRA's "Salute to the States" dinner and dance benefit. The purpose of the evening was to fund the association's newly-established political education fund (PEF). PEF promotes political education activities within the industry, provides honoraria to members of Congress who speak to restaurant groups and supports NRA activities that make Congress more aware of the restaurant industry. Unlike the NRA political action committee (PAC), however, PEF funds cannot be used to help finance congressional races.

The sold-out $150-plate event at the Chicago Palmer House raised $38,000 to fund NRA's political education efforts.

In keeping with the theme for the fundraiser. the menu celebrated the bounty of American foods and featured delicacies from New England to California. The evening began with a champagne reception where guests were treated to regional favorites, such as Virginia Ham Mousse and North American Gravelox. The elegant buffet-style dinner was a tribute to other American trademarks, such as Pink Breast of Long Island Duckling and Red Fish, Louisiana Style. Baked Alaska with fresh raspberry sauce rounded out the culinary trip around the nation.

Complementing the tempting menu was entertainment by Tony Bennett and his Trio.

Part two of a three-part series

Planning a new restaurant

The Project Planning TEAM

By Maurice P. Minno, J.M. (Woody) Woodburn and Rohit Bhayana

A project of any magnitude, be it the "Star Wars" defense program or the development of the federal budget, usually requires a planning team of qualified people. Creating a new restaurant is no exception.

Who is on the team . . .

The project team is responsible for developing and defining the restaurant's concept and design. Although the composition of this team will vary depending on your particular capabilities and requirements, your background, and the time and capital you are able to contribute, in this article we will assume the typical team consists of an architect (supported by mechanical and electrical engineers), a foodservice consultant, a kitchen designer, an interior designer and a graphics designer. This team can be composed of individuals and/or firms.

Other team members, depending on the complexity of your project, may include a lighting consultant, audio/visual consultant, acoustical engineer, landscape architect and energy management consultant, among others. In addition to these project planning members, you would typically consult with other professional advisors, including a certified public accountant, a lawyer and a financial advisor. Once the planning is complete, various contractors would be retained to build the project under the guidance of the project planning team.

The two team leaders are usually the foodservice consultant and the architect. The foodservice consultant should normally be the first to be retained. This person or firm leads the conceptual development of the new restaurant by defining the envisioned concept, researching its applicability in a specific market, determining its financial viability and developing its food and beverage menus. Once the concept is developed, the foodservice consultant may later develop operational standards in the form of policy and procedure manuals.

The architect coordinates the physical design of the restaurant to execute the concept. He makes sure that the efforts of the design members (kitchen designer, interior designer and graphics designer) are coordinated with his own ideas to produce a restaurant that is aesthetically pleasing, functional and, most importantly, in agreement with your envisioned concept.

Laying the ground rules . . .

Before selecting the team, you need to have thought out the particulars of your desired restaurant concept and the resources you can muster. Though each case will differ, it will be helpful to have considered these four elements:

1. The concept: You should have a good idea of what type of restaurant you want and how you want it to appear to your guests. Define the location, type of restaurant (fast food, fullservice, family), ambiance, menu style, approximate menu price ranges, number of seats, type of clientele, style of beverage service (if any) and entertainment. Supplement your ideas with pictures, menus, and magazine clippings that show the kinds of specifics you want to incorporate in your restaurant. (For more information on feasibility and concept development, see part one of this series in the May 1985 issue of ***NRA NEWS***.)

2. Time frame to completion: Set a deadline for the opening, this will help team professionals schedule their activities. The time frame may be dependent on a lease or purchase option you have obtained from the site owner or perhaps on financial arrangements you have made. The initial team members should be able to assess the practicality of meeting your time frame.

3. Time constraints and experience: Team selection will depend on the time and expertise you can devote to the project. If you are managing a restaurant full time, you may have very little time to coordinate the project. In this case, it would be necessary for you to contract a full team with a strong leader who can coordinate the project. However, if your job is flexible, you should have time to coordinate and oversee the team's activities.

As with time constraints, your experience will affect the team's composition. If you are a qualified kitchen designer, for example, you may not need to hire one. However, consider the time you will need to accomplish these tasks and how it may affect your ability to coordinate the project.

Finally, recognize that you have hired qualified professionals who base their decisions on experience, research and professional judgment. By all means question their decisions, but don't let your preferences hamper your objectivity.

4. Financial resources: A foodser-

Maurice P. Minno is a principal, J.M. (Woody) Woodburn is a vice president, and Rohit Bhayana is an associate of MDR Associates and the Food Design Workshop in Fairfax, Virginia, a professional hospitality management consulting firm, specializing in restaurant and menu development and kitchen design.

vice consultant can help determine the amount of capital you need to create your concept and should be able to prepare a written prospectus of your concept and its viability for presentation to prospective lenders. In addition, you need to determine how much of your own money you will contribute to the project. (The next part of this series—to appear in the September 1985 issue of ***NRA NEWS***—will discuss financing in greater detail.)

Assembling your team . . .

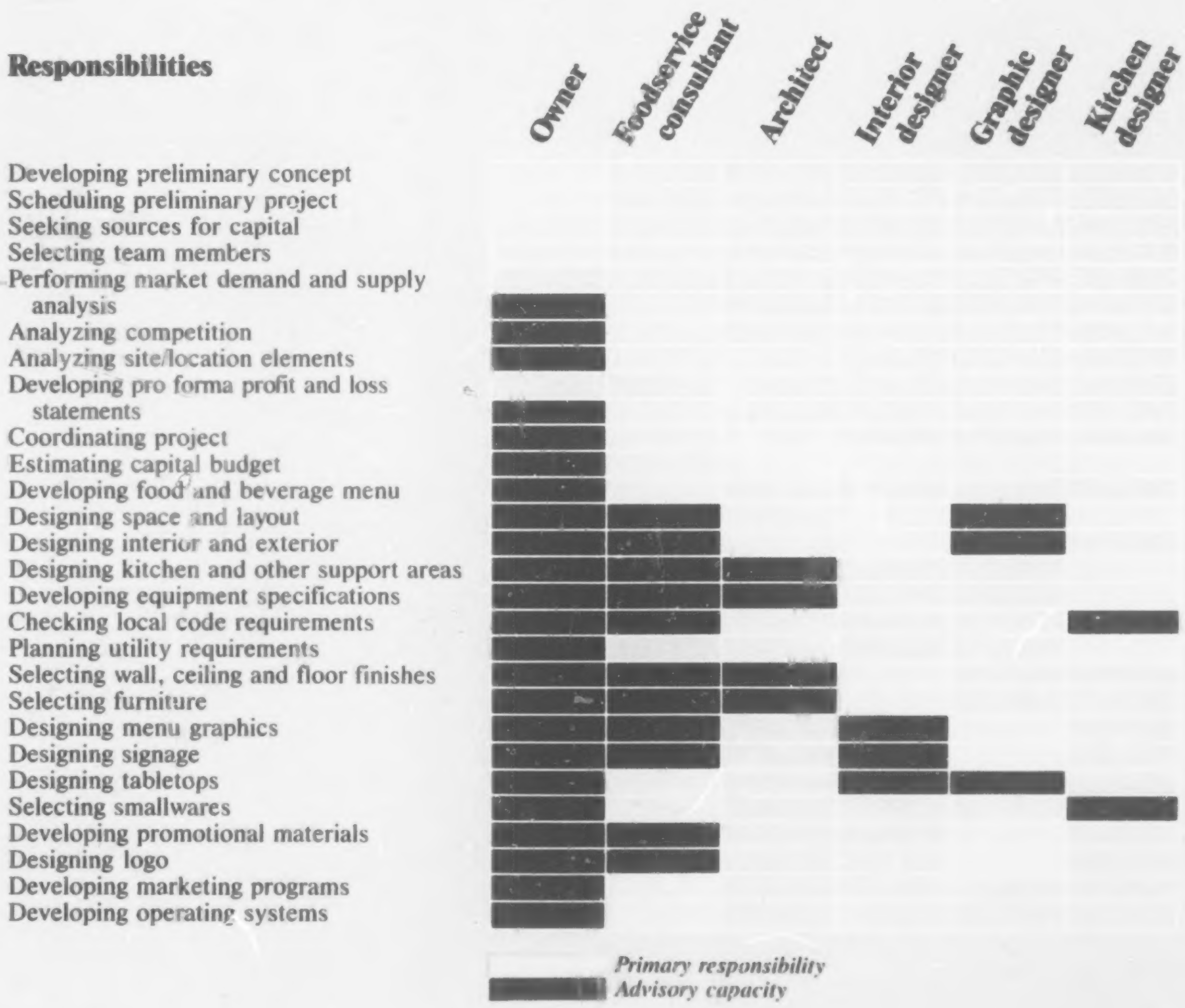
Once you have laid the groundwork, you are ready to assemble your team. To find qualified professionals who are right for your project, turn to:

- **restaurateurs:** The best source for referrals are other restaurateurs. Ask your friends and acquaintances in the restaurant industry whom they recommend. People do not usually take personal recommendations lightly and are therefore likely to give you accurate information. Besides asking people you know, talk to owners of other restaurants, particularly if you like some aspect of their operation.
- **associations and publications:** Most professions have trade associations that represent their interests. Being a member of an association does not necessarily qualify the person or firm, although organizations such as the American Institute of Architects (AIA) do set certain standards for membership. It is best to use the associations as one of the sources for referrals, but you still need to evaluate each referred candidate. For each specific profession, the following associations are the most commonly recognized.

- *Architects:*

American Institute of Architects (AIA)
1735 New York Ave., N.W.

The Project Planning Team Responsibility Schedule



Responsibilities	Owner	Foodservice consultant	Architect	Interior designer	Graphic designer	Kitchen designer
Developing preliminary concept						
Scheduling preliminary project						
Seeking sources for capital						
Selecting team members						
Performing market demand and supply analysis	■					
Analyzing competition	■					
Analyzing site/location elements	■					
Developing pro forma profit and loss statements	■					
Coordinating project	■					
Estimating capital budget	■					
Developing food and beverage menu	■					
Designing space and layout	■	■			■	
Designing interior and exterior	■	■			■	
Designing kitchen and other support areas	■	■	■			
Developing equipment specifications	■	■	■			
Checking local code requirements	■	■				■
Planning utility requirements	■					
Selecting wall, ceiling and floor finishes	■	■	■			
Selecting furniture	■	■	■			
Designing menu graphics	■	■		■		
Designing signage	■	■		■		
Designing tabletops	■			■	■	
Selecting smallwares	■					■
Developing promotional materials	■	■				
Designing logo	■	■				
Developing marketing programs	■					
Developing operating systems	■					

▢ *Primary responsibility*
■ *Advisory capacity*

Washington, DC 20006
(202) 626-7300

- *Foodservice consultants* and *kitchen designers:*

Foodservice Consultants Society International (FCSI)
13227 8th Ave., N.W.
Seattle, WA 98177
(206) 362-7780
and
NRA Information Services
311 First St., N.W.
Washington, DC 20001
(202) 638-6100

- *Interior designers:*

American Society of Interior Designers (ASID)
1430 Broadway
New York, NY 10018
(212) 944-9220

- *Graphics designers:*

American Institute of Graphic Arts (AIGA)
1059 3rd Ave.
New York, NY 10021
(212) 752-0813

In addition, your local restaurant association may be able to provide a list of candidates in your area. Trade publications may also provide leads to prospective team members. Look for articles on restaurant design and development. The authors of those articles may themselves be potential team members or will likely be able to refer you to qualified professionals.

Evaluating prospective team members . . .

Once you have compiled a list of prospective team members, you need to condense the list to your final team. The best way to do this is to go through a systematic qualifying process, evaluating each candidate by the same criteria. This makes comparisons easier. For each candidate, find out:

- **Past experience:** Obtain references. Ask for names of restaurants that are similar to yours in size, quality and style of service. Contact the reference and ask about the candidate's reliability, timeliness and ability to stay within an agreed upon budget. Ask about the candidate's knowledge, professionalism and ability to meet a client's needs. Also check to see how well they worked in a team environment. If you are considering a firm, check the personal qualifications of the professionals who would be assigned to your project.
- **Years in business:** A person or firm that has been in business for a while has probably done good work with previous clients and has thus built a solid professional reputation. Longevity can also be a barometer of continued support.
- **Personal chemistry:** Personal chemistry can also influence rapport. Does the candidate's personality complement your own or would you have difficulty working together? Also, how do you think the candidate will get along with other team members?

Communicating with the team . . .

Once the project work begins, accurate and timely communication among team members is necessary to ensure that all are working under the same assumptions and are heading in the same direction. Several techniques will help keep the communication flowing:

- **The design program**—This invaluable document details all the criteria and assumptions on which the restaurant's design will be based. It defines each element of the operation—from receiving to menu design—and indicates how these elements interrelate. It also specifies the equipment and flow patterns necessary for the restaurant to operate as desired. This document needs to be fluid so it can evolve with each change of direction.
- **Responsibility and time schedule**—A project of the magnitude of planning a new restaurant is best tackled by breaking it down into tasks. Assign deadlines and designate responsibilities by appropriate team members. The "Project Planning Team Responsibilities Schedule" included in this article is an example of a format that can be used to program the project. Be sure to set starting task dates and ending deadlines. Distributed to all team members, the schedule becomes both a guide and a method to monitor the project's progress.
- **Meetings**—Frequent meetings are needed to discuss and communicate the project's progress. Reduce the trivialities by limiting the focus of each meeting through a pre-set agenda that is sent to all members in advance. This allows them to be prepared for the meeting. Also, only those who are specifically concerned with the meeting's agenda should attend. Nonattending members are kept informed through accurate, detailed meeting minutes, which also supplement the memories of those who attended.

Summary . . .

Although the composition of each project team will vary, a systematic selection process yields a project team that works smoothly and efficiently to design your new restaurant. ❑

Project planning pitfalls

Problem area	**May result in:**
Poorly defined concept	• Inappropriate menu for the market • Layout or equipment that does not meet operation's needs • A facility design that does not embrace the owner's vision
Project deadlines not specified	• Restaurant opens past the desired date • Project costs run substantially higher than budgeted.
Financial resources not researched	• Available capital expended before the project is finished • There is insufficient capital for the type of restaurant desired
Hasty selection of team members	• Incompetent team member(s) selected • Team members are incompatible with each other and/or the owner • Team members are not qualified for the particular project

Lighting Up A Restaurant's Profits

G.B. Decorative Design Co. of Alexandria, VA, used bright neon ice cream cones to jazz up Cone E Island, an ice cream shop in Washington, DC.

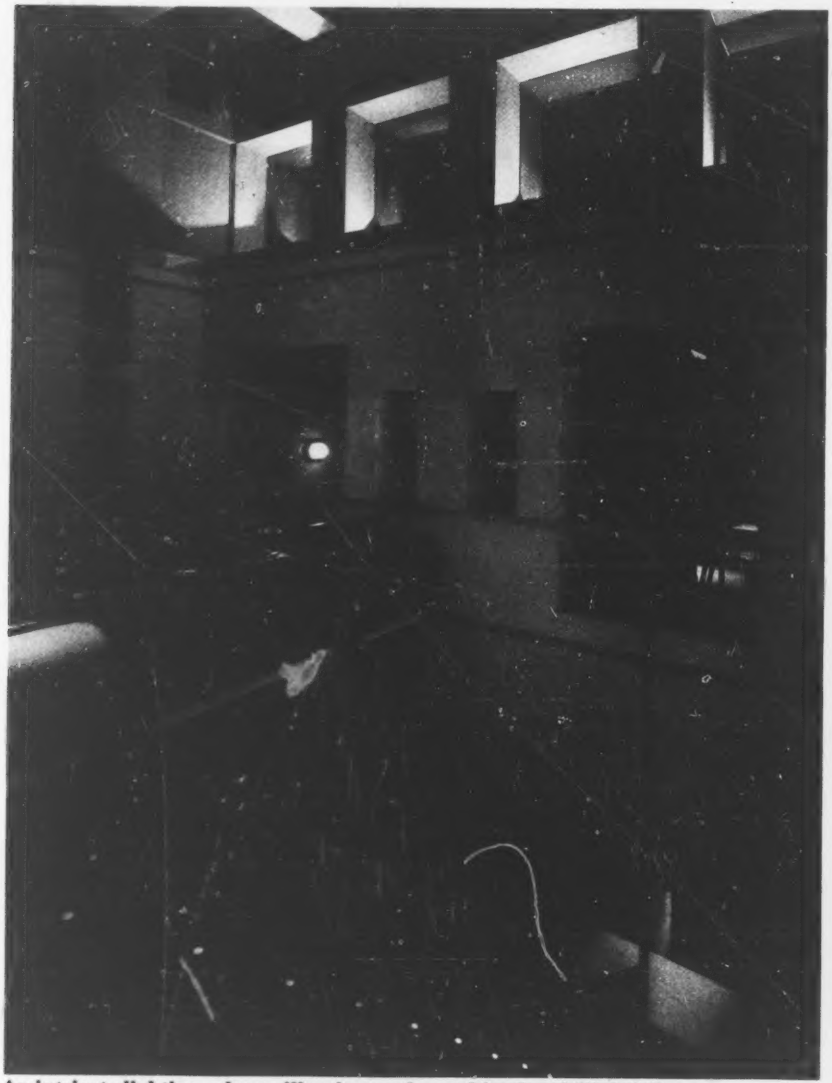
by Celeste McCall

When customers walk into a restaurant, how the establishment is lit can influence their decision to remain and order or turn around and leave. According to some lighting experts, lighting constitutes 60 percent of the restaurant's interior design and is often the single most important factor for creating a patron's first impression of an establishment. A darkened doorway, for example, can make the restaurant appear closed or uninviting.

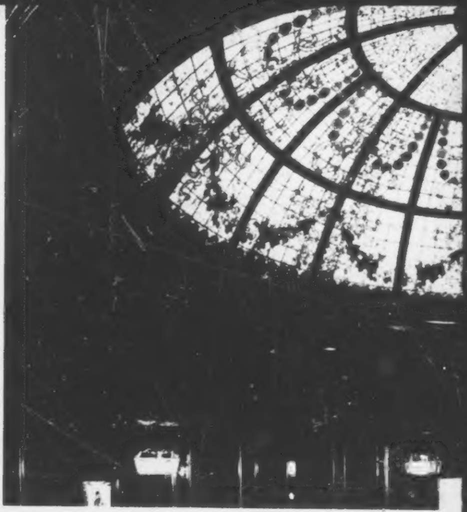
So what makes for ideal restaurant lighting? A working combination of functional and decorative lighting is what each operation needs. Functional lighting is the practical use of lights—for reading a menu, eating and moving safely around the restaurant.

Celeste McCall is a freelance writer in the Washington, DC, area who frequently writes on foodservice topics for **NRA NEWS.**

"We use pink lighting because we think it is the most complimentary to food, especially seafood."

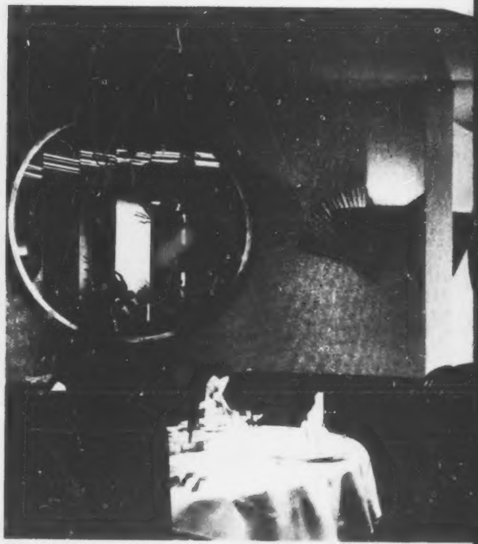


An intricate lighting scheme illuminates the multi-colored Nightfalls restaurant in Brooklyn, NY. Designed by Voorsinger and Mills.



**Magnificent stained glass dome, 14 feet in dia
ceiling at Michael's Restaurant in the Barbary
Incandescent lights, placed at the base of the
framework, illuminate the 3,900 pieces of stain
in the dome. Designed by Wallach Stained Gla**

"Lighting will chang



**Joe Villano chose a slightly offbeat curved neon
wall scones to illuminate Shun Lee Palace in Ne**

Decorative lighting is the use of lights to create a mood and special effects.

Lighting begins with types of customers . . .

When designing a restaurant interior, an architect often sits down with a lighting expert and the restaurant owner to go over basic concepts for space, location, type of clientele and expectations for that space.

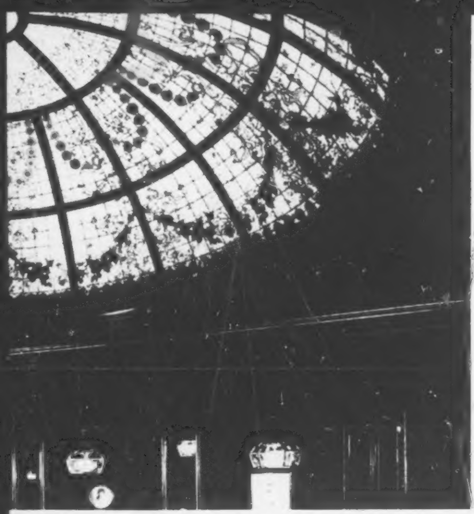
"The restaurant (and lighting) design starts with the owner stating what kind of place the restaurant should be," says Mitchell Kohn, a lighting designer in Chicago, IL. "The lighting should be part of the total picture." If a proprietor wants a fast food or family style establishment with a high customer turnover, bright or warm lights will induce people to come in, order quickly and leave. If an owner prefers a more upscale establishment that will encourage patrons to linger, dimmer, softer lighting will be more appropriate.

Restaurant lighting should also enhance the food and customers. For this reason, many upscale restaurants avoid fluorescent lights because these make flesh tones look sallow and a rare steak look gray.

Incandescent lighting, on the other hand, makes skin appear warm and golden; the effect is similar to sitting by a fire or in candlelight. This type of lighting works best in the powder room, too.

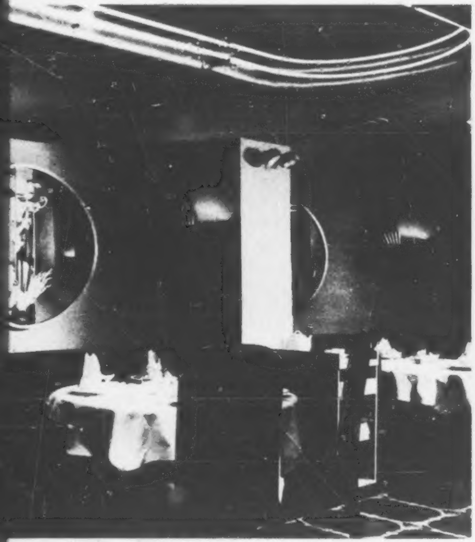
Lighting to see by . . .

The most important step in lighting a restaurant is to choose functional lighting that will allow customers to see where they are going and what they are ordering and eating. These utilitarian functions are accomplished by either general lighting—overall light intensity—or specific lighting,



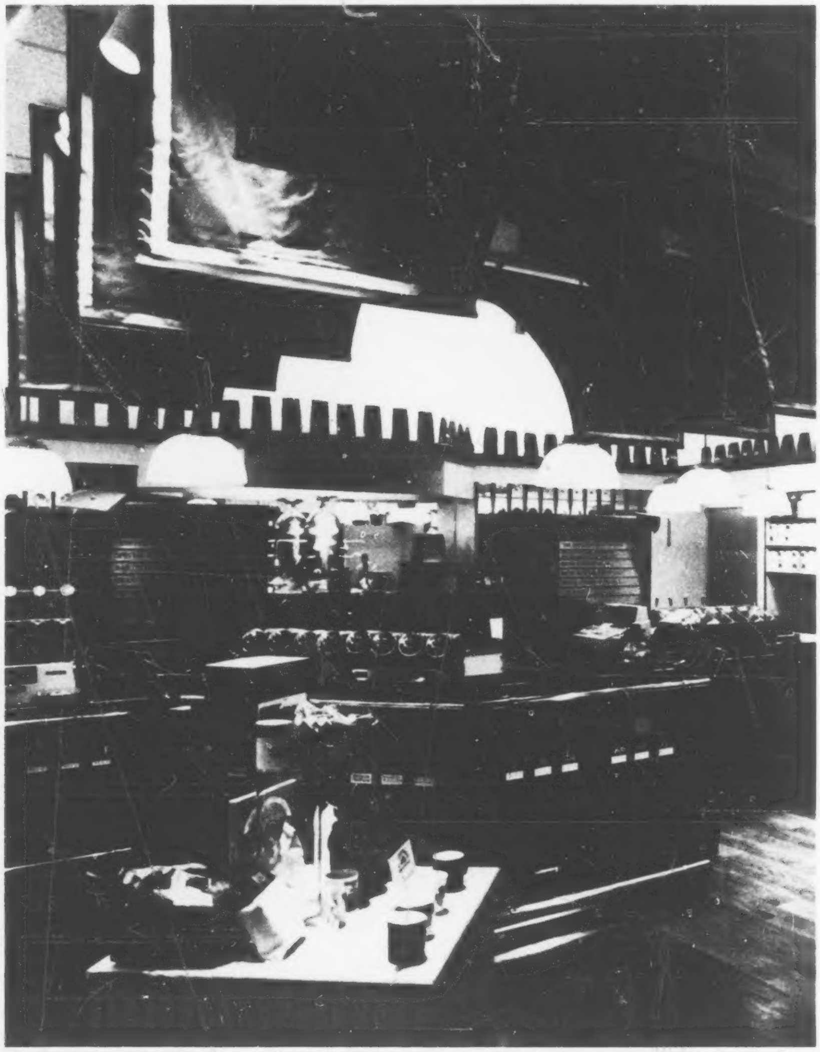
r and 4 feet deep, dramatizes the st Hotel, Las Vegas, NV. s and on the ribs of the glass lass, rosettes and antique jewels udios of Berkeley, CA.

ith the environment."



t as well as graceful fan-shaped rk City.

"Fluorescent lights make flesh tones look sallow and a rare steak look gray."



Cline Bettridge Bernstein Lighting Design, Inc., NY, NY, chose strip lighting, spotlights, pendant lights and baffled (hidden) track fixtures to highlight special features at the Coffee Works Gourmet Coffee and Tea Emporium in New Jersey.

which highlights individual objects or spaces, such as the restaurant entrance, hallway, an exit sign or the stairs leading to the dining area, lounge or rest rooms.

Sources for general lighting are chandeliers, recessed downlights with floods (wide beam bulbs) or track lighting with fixtures that house floods (wide beam bulbs).

Specific lighting comes from painting lights (the kind you see in art galleries), sconces, recessed lighting with spots (narrow beam lights) or track lighting with fixtures, which house spots (narrow beam bulbs). According to lighting designer David Winfield Willson, whose headquarters are in San Francisco, CA, a restaurant does not need bright, glaring lights to enable patrons to read menus or to see their food or each other.

The iris of the eye is fully opened in a dimly lit room, and glaring lights will make the iris contract, making it impossible to see much of anything. Instead, Willson recommends a uniform level of lighting throughout the dining area, with no pockets of excessive visual contrast between the tables and other areas of space. The level of lighting, on the other hand, may be high or low, depending on the atmosphere desired. Wilson prefers indirect sources, such as uplight from soffits (overhangs) around the room and/or direct downlighting from recessed fixtures.

Lighting to set a mood . . .

Once the utilitarian aspects have been taken care of, a restaurateur can focus on lighting to set a mood. This often involves three major variables: the direction of the light, the intensity of the light and the color of the light.

According to many lighting experts, the location of the light source has a lot to do with the mood created. Low-level sources—the candle on the table, a lamp, lighting from behind a banquette, lateral lights or uplights hidden in plants—contribute to a sense of intimacy.

"Owners today are steering away from shining lights directly down onto tables in favor of bathing lights across walls or reflective surfaces," notes Gary Turner in the April issue of *Skylite* magazine. Turner of G.B. Decorative Design in Alexandria, VA, adds that this type of lighting is not always easy. "You have to light the room, obviously, but the lighting also has to be flattering to the room, the customers and the food, to give that lasting impression that will bring people back," he adds.

Lighting to match the time . . .

Customer mood is directly related to the time of day, and this relates directly to lighting intensity. Generally, the later the hour, the more relaxed the customer. During breakfast or lunch hours, lighting should be bright for a brisk, businesslike mood. Brighter lights also accommodate the solo diner, who often reads while eating.

As the day progresses, the diner becomes more relaxed, and restaurant lights should be lowered accordingly. That is one reason there is an attempt made in many upscale restaurants to integrate restaurant lighting with the time of day.

Even though a restaurant may receive natural light during the daytime, some areas will still require artificial light. That light will have to be at a higher level in the daytime (to hold its own against the bright natural light) than it will in the late afternoon or after dark.

If the restaurant is windowless, the contrast becomes even more important. Customers should not walk from bright daylight into a "black hole" or even worse be blasted by bright light after they walk out of a restaurant.

Light levels are often regulated by dimmers, either manual, automatic or computer-controlled.

Since every restaurant employee will have an opinion of what the light level should be at any given time of day, the use of a pre-set dimming system helps avoid confusion. Many systems can be adjusted so that each change in light intensity takes place over several minutes so that the change will not disrupt diners.

Colors add drama, creativity . . .

Color plays a vibrant role in restaurant lighting, especially in atmospheric restaurants. Color can make a customer feel comfortable, attractive and otherwise in a mood to remain, linger and return again. On the other hand, some colors, such as bright reds and oranges, can be used to encourage customers to eat and run.

An inexpensive but effective new way to change or enhance colors is by filters or gels. To correct incandescent lighting, which turns yellow when dimmed (yellow has a tendency to make guests look sallow), pink gels may be used. If a restaurant's fixtures cannot accommodate filters or gels, individual light bulbs may be dipped or coated with gels.

Gary Koch, president of the Golden Lion, an American-style restaurant in Springfield, MO, favors pink lighting. "We use pink lighting because we think it is the most complimentary to food, especially seafood. Even oysters on the half shell look more tantalizing under pink lighting. Pink lighting is also the most flattering to skin tones."

For color effects, Koch utilizes a variety of lighting fixtures. Besides the standard incandescent reflector spotlights, Koch uses some pink-colored combination incandescent-fluorescent lights, which are relatively new on the market. These lights combine the best features of incandescent and fluorescent. They allow flattering incandescent illumination without much heat, and they don't emit the harsh glare of regular fluorescents.

For other effects, Koch hand paints regular fluorescent tubes with latex-based paints or uses colored filters. "Some people also use different colored plastic sleeves on fluorescent tubing," Koch adds.

For an interesting amber effect, Koch sometimes makes a paste of instant coffee and water and paints it directly on the fluorescent tubing. "It smells better than most paint," Koch quips. In general, Koch recommends buying colored fixtures rather than adding paint or filters.

Nightfalls, an award-winning restaurant in the Bay Ridge section of Brooklyn, employs color creatively in its intricate lighting scheme The 2½ year-old establishment (so-named because of a 36-foot waterfall in the outdoor dining area) sports 50 different shades and colors. Those colors are enhanced by careful lighting.

While shopping for lighting fixtures, Nightfalls' architect Voorsinger and Mills tested numerous types and colors of bulbs in the restaurant before buying them. "Lighting will change with the environment," warns owner David Naman.

Lighting for special effects . . .

Lighting is often used for dramatic special effects. Special effects lighting can be general—used simply to underscore overall lighting—or specific, a focal point in itself.

Lighting designer David Winfield Willson sometimes uses deceptively simple methods to create special effects to underscore the overall lighting or to become a focal point by themselves. "Light reflected from the surface of water or crinkled metalized plastic can be marvelous," Willson says. "These effects should be directed from hidden sources, so that light from the lamp never glares directly into the eyes of the viewers (customers)." Other techniques he uses include patterns of light—either out of focus to evoke the look of moonlight through greenery or projected over three dimensional surfaces, such as a wall sculpture.

Shun Lee Palace, in Manhattan's East side, is a stunning example of special effects lighting. Designed by interior decorator Joe Vilano, Shun Lee Palace features graceful fan-shaped wall scones that emit soft illumination from behind the wall. The lighting shoots to the ceiling and bounces back for an attractive effect.

Perhaps the most dramatic feature in the restaurant is a curved neon light, which snakes around the ceiling, lending a slightly offbeat—almost art deco look—to the room.

Other examples of dramatic lighting include large, usually handmade stained glass domes suspended above dining areas. Such domes can be found in Gilbert Robinson, Inc.'s Devon Bar and Grill in Washington, DC, and Michael's, the restaurant in the Barbary Coast Casino in Las Vegas, NV.

In sum . . .

Successful restaurant lighting is not difficult to achieve if an operator knows who his customers are and can put himself in their shoes. ❑

Editor's note: *One source for lighting experts is the International Association of Lighting Designers, 30 W. 22nd St., New York, NY 10010; (212) 206-1281.*

INTERVIEWING FOR SUPERSTARS

By Kathy Boyle

In today's tight job market, it is essential to spot the best and the brightest applicants quickly—before you lose them to a competitor.

Finding the superstar—that one-in-a-hundred employee—requires more than just luck. Unfortunately, all too often employers rely on instincts, picking the person they like best or the individual "most like me." Usually this is a hit or miss proposition. An equally unreliable method is choosing the nicest looking person who applies for the job. According to experts, a superior method is to devise an effective interview plan.

According to Ted Thelander of T.A. Thelander and Company in Cleveland, OH, there are three things you look for during the interview. First are "can do" items, which cover the applicant's ability, talent, education, training, experience and knowledge. Usually most of this information can be obtained from the resume or application, but it may be necessary to probe for more detail during the interview.

Second are "will do" items which, according to Thelander, include the applicant's "motivational package, recurring feelings and thought patterns."

The last hurdle, says Thelander, is to determine an applicant's theft potential. "Do they have a strong internal value system?"

Get ready for the interview . . .

"So often employers change the job requirements during the interviewing process because they fail to put down a profile of what they want," says Franklin D. Feiler, president of Feiler & Associates in Palm Beach Gardens, FL. This is inviting failure.

That is why prior to the interview employers should evaluate who they want for a position. "The key to interviewing," according to Feiler, "is using a patterned interview." The patterned interview method develops a series of questions based on a job description. Each successive candidate is asked the same set of questions. Criteria are set for acceptable answers, and all applicants are evaluated comparatively.

The first step in getting ready for the interview is, therefore, to draft a job description. The job description provides a road map during the interview as well as a handy reference piece for explaining to potential candidates what will be required of them on the job.

When you begin, consider the requirements necessary: education, job knowledge, judgment, ingenuity, initiative, mental ability, physical requirements, skill, training, experience and personality traits. Under each

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Kathy Boyle is a freelance writer in the Washington, DC, area who frequently writes on foodservice topics for **NRA NEWS.**

category set criteria. For example, for a hostess position, the physical requirements might be excellent hearing and vision as well as endurance to walk or stand for 85 percent of the time without noticeable fatigue. With criteria set for the job, it is easier to explain to applicants what they would be asked to do and easier to measure their ability. It is also easier to draft appropriate questions about the applicant's work history, attitudes and motivation. (See sample questions in sidebar).

In developing criteria for managers, Carla Conroy, human resources manager for corporate headquarters at Burger King, Inc. in Miami, FL, says, "We want someone with a positive attitude who loves people since they have to work well with customers as well as with the 30 to 60 people employed at the unit. We look for a good fit."

Lastly, prior to the interview, plan to set aside enough quiet time to conduct the interview. Find a place that is relatively calm and free from disruption—especially from the telephone.

Listen for the right answers . . .

Once the preliminary homework is complete, the interviews can begin. Experts agree that it is important to make the applicants comfortable to get the most accurate impression. That is why taking a few minutes to chitchat about the weather, a football game, the traffic or some other nonthreatening topic should precede the actual interview. By putting the applicant at ease you hope to establish confidence and a free and easy talking environment.

Using a data base of more than 300,000 job characteristics, Thelander of T.A. Thelander and Company identifies characteristics which match a particular job. This, he maintains, speeds up the selection process. In a recent eight-day period Thelander screened more than 4,000 applicants for 225 positions for the newly opened Baltimore Plaza Hotel in Baltimore, MD. Explaining how the data base works to generate questions,

WHATEVER YOU ASK MAY BE

Title VII of the 1964 Civil Rights Act and subsequent legislation prohibits employment discrimination on the basis of sex, race, color, religion, national origin or age. Because the employment application and interview process is the key to hiring, it's important to observe some legal guidelines when you interview. Many states have their own particular recommendations or requirements, and some state laws bar discrimination in areas beyond those covered by federal law. Nevertheless, federal guidelines offer general boundaries for the interviewing employer.

What can you ask? . . .

The law, according to the Equal Employment Opportunity Commission (EEOC), prohibits the use of all pre-employment inquiries and qualifying factors that are not valid predictors of successful job performance or cannot be justified by "business necessity." Pre-employment inquiries concerning race, color, religion, sex or national origin are not considered violations of the law in and of themselves, but they may constitute evidence of discrimination.

In devising or reviewing application forms or in seeking information from job applicants, EEOC recommends that employers ask themselves two questions. (1) Will the answers to this question, if used in making a selection, have a disparate effect in screening out minorities and/or members of one sex (i.e., disqualify a significantly larger percentage of members of a particular group than others)? (2) Is this information really needed to judge an applicant's competence or qualification for the job?

Specific areas to watch for . . .

Marital status and children

Questions about marital status, pregnancy, future child-bearing plans and number and age of children may be a violation of Title VII if used to deny or limit employment opportunities for female applicants. Employers are cautioned against use of such non-job-related questions. Information needed for tax, insurance or Social Security purposes may be obtained after employment.

Facility with English

When the use of an English language proficiency test disqualifies a significantly large percentage of a particular minority group, and English language skill is not a requirement of the work to be performed, there is a violation of Title VII.

However, if an employer can show that facility with the English language is necessary (as, for example, for communicating with other employees or dealing with customers), courts have been willing to uphold such requirements.

Citizenship

A person who is a lawfully immigrated alien is legally eligible to work and may not be discriminated against on the basis of his/her citizenship, except in the interests of national security. Security interests must be determined under a United States statute or presidential executive order respecting the particular position or premises in question.

Arrest vs. conviction

The courts and the commission have held that without proof of business necessity an employer's use of arrest records to disqualify job applicants is unlawful discrimination. The reason: Some minority groups are arrested more frequently than whites in proportion to their numbers in the population and often there are no subsequent convictions. Making personnel decisions on the basis of arrest records, therefore, has the effect of disproportionately limiting the employment opportunities of members of these groups.

The employer does have more latitude when asking about convictions.

Thelander says, "For a manager you want someone with a high level of energy. Ask them what they do in their off hours. You're looking for someone who jogs, plays tennis or does something else to sweat."

"There really are no right or wrong answers in our profiling," says Thelander. He points out that "A person that prefers more sedentary leisure time, like stamp collecting, would not be eliminated from consideration for restaurant work. Rather, we might suggest placing that person in behind-the-scenes work, such as computer programming."

Honestly sharing information is essential for a successful interview. "We look at our initial screening interview as an information giving and receiving time," explains Ann E. Coughlin, corporate recruiter for Prufrock Restaurants in Dallas, TX. "We tell managerial candidates that they will work six days or 54 hours a week for the first six months. After that they move to a five/six day alternating workweek. At the same time, we try to learn what they do in their free time and see if it conflicts greatly with this type of work schedule."

Look for enthusiasm . . .

Michael Hurst of the 15th Street Fisheries in Fort Lauderdale, FL, uses a good-natured approach to determine an applicant's ability to get along with others. "The key to hospitality is personality," claims Hurst. "If they show expressiveness by moving their body or eyes and changing the tone of their voice and at the same time show the ability to laugh at themselves in a difficult situation, they will readily and easily show what they are enthused about. If I find someone who can get enthused about something, then that person will share the enthusiasm—say for new menu items—with customers."

When interviewing potential management employees, Hurst is on the lookout for leaders. He always asks the same series of questions: "What new things have you taught the help in the last 12 months? What are you thinking of teaching them in the next

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USED AGAINST YOU

Avoiding discrimination in the interview process

While felony or misdemeanor convictions may not be an absolute bar to employment, an employer may give consideration to the relationship between the conviction and the job in question, taking into account such factors as number, nature and time of convictions.

Criminal actions should not be discounted altogether. Legal trends now indicate that in some cases employers may be held liable for criminal actions by their employees on the worksite if the employer knew or should have known (i.e., via checking references) of past instances of violence.

Age

The Age Discrimination in Employment Act of 1967, as amended, prohibits discriminating on the basis of age against individuals 40 to 70 years old.

Because a request that an applicant state his age may deter older applicants or may otherwise indicate discrimination based on age, employment application forms that request such information will be closely scrutinized.

Many employers now avoid such problems by merely asking for a certification that a person has reached the threshold age which their state requires for working or more specifically, for serving alcoholic beverages.

Availability for work on weekends or holidays

Employers and unions have an obligation to accommodate the religious beliefs of employees and/or applicants unless to do so would cause undue economic hardship. According to EEOC, questions relating to availability for work on Friday evenings, Saturdays or holidays should not be asked unless the employer can show that such questions do not have an exclusionary effect on those persons who would need an accommodation because of their religious practices.

Much will depend here on the employer's scheduling requirements. If an establishment is very busy on Saturdays, for example, giving an employee that day off every week is more likely to cause undue hardship than if the business was busiest during the week.

Financial status

Rejecting applicants because of poor credit ratings has been found unlawful by EEOC unless business necessity can be shown.

Inquiries as to an applicant's financial status, such as bankruptcy, car ownership, rental or ownership of a house, length of residence at an address or past garnishment of wages, if utilized to make an employment decision, may likewise violate Title VII.

Final considerations . . .

Job-relatedness is the most important factor in analyzing your application and interviewing process. Avoid asking irrelevant questions that can be used to fuel a discrimination charge. The EEOC's attitude is expressed in these closing paragraphs:

"It is reasonable to assume that all questions on an application form or in a pre-employment interview are for some purpose and that selection decisions are made on the basis of the answers given. In an investigation of charges of discrimination, the burden of proof is on the employer to show that answers to all questions on application forms or in oral interviews are not used in making hiring and placement decisions in a discriminatory manner prohibited by the law.

"To seek information other than that which is essential to effectively evaluate a person's qualifications for employment is to make oneself vulnerable to charges of discrimination and consequent legal proceedings.

"It is therefore in an employer's own self-interest to carefully review all procedures used in screening applicants for employment, eliminating or altering any not justified by business necessity."

—Robert Palmer

12 months? What new things have you done in the last 12 months to build the customer base? What will you do in the next 12 months?"

"I'm looking for a 'builder,'" says Hurst. "I want managers who behave as though they have their own name on the door and try to build the operation. If I hear instead, 'I didn't have the time for that,' the person is a 'worker' but not a builder and not the manager I'm looking for. Instead I want to hear about the exciting promotions they thought of, the schools they visited, the work they did with the chamber of commerce and the community. This is the goal-oriented leader, who is highly motivated and the self-starter I want."

Ask open-ended questions . . .

All experts warn against any questions that lead to just a yes or no answer. Franklin Feiler recommends beginning with a general, open-ended question, such as asking the candidate to describe his/her last job or finding out what the applicant liked best and least about that job. "Then the really important part is listening to the answers. Look for red flags," warns Feiler.

An extension of Feiler's system of asking each applicant the same series of questions is using several different interviewers to ask essentially the same information. About a year ago, Wendy's in Dublin, OH, began using a system designed by Developmental Dimensions International of Pittsburgh, PA, known as "Targeted Selection." The system is based on the premise that past behavior determines future behavior. "We take a job description and develop 10 dimensions for the job," explains Kay Robinson, recruiter for Wendy's. "For each dimension we come up with questions. Suppose leadership is required for a store manager. Then we might ask a candidate, 'What have you done to develop subordinates? Describe the situation, the actions you took and the outcome.'"

Each candidate is interviewed by three different interviewers. Each interviewer rates the candidate on a scale from one to five for each dimension. Then the three interviewers get together to determine which of the candidates best meets the criteria.

Prufrock Restaurants uses psychological testing as a tool to learn more about an applicant. "We do the psychological testing at the beginning of

For the interview:

Sample open-ended questions

These open-ended questions come from NRA's dining room management course. They can be used to encourage applicants to talk about

1 level and complexity of a job

☐ What did your job at XYZ consist of?
☐ Describe a typical day on your job at XYZ.
☐ What things took most of your time on this job?
☐ How much contact did you have with others?

2 extent of their responsibility

☐ Explain where you fit into the organization at XYZ.
☐ How often did you and your boss get together, and what problems did you discuss?
☐ Give me some examples of the kinds of decisions you had to make on your job at XYZ.
☐ Tell me a little about your boss and about your job.
☐ How was your work checked and by whom?
☐ What rules or procedures did you follow?

3 motivation

☐ How did you get that job?
☐ When and why did you begin to think of leaving?
☐ What are some of the things that made you stay at your present job?
☐ What made you change jobs?
☐ Under what circumstances would you stay at your present job?
☐ What do you hope to find here that you do not have at your present job?
☐ What are your short- and long-range goals?

4 attitudes and feelings

☐ What did you like best about your last job?
☐ What didn't you like about it?
☐ What did you feel about your boss?
☐ Was there anything about the company or the way they did business that you did not like?
☐ What kind of atmosphere or climate exists in the company?
☐ How did you feel about the progress you made on your job?
☐ What do you consider an ideal job for you?
☐ Under what type of supervision do you work best?
☐ What bothers you most about your present or past co-workers?

5 effectiveness on the job

☐ What were your most significant accomplishments on your job?
☐ Describe some of the tough problems you encountered on your job.
☐ What personal attribute or ability do you have that contributed most to the success of your job?
☐ What attribute or characteristic do you have that you wish you did not have?
☐ How much did you progress in your past job?
☐ Do you have any outside activities or responsibilities that will interfere with your job?
☐ What will you do to make this a better operation?

the second interview and use it to set guideposts for that interview," says Coughlin. "If the results show us, for example, that a candidate is extremely tolerant, we may want to lead the questioning in this direction. Being tolerant is good, but if they are too tolerant, they may procrastinate, letting a problem go unsolved until it gets out of hand." Learning that a candidate is too tolerant, however, would not necessarily eliminate him or her for a potential managerial position, explains Couglin. "Rather, we would alert the candidate and work with that person to compensate in this area in future training."

"Sometimes you cannot rely on past experience to assess an applicant's potential," says Couglin. "College students, for example, may have never held a managerial position for a company. You can, however, learn a lot about their leadership ability by asking about extracurricular activities and the roles they assumed."

Carla Conroy at Burger King also cautions against overly typecasting potential candidates. "Recently I hired a manager whose entire previous work history was in accounting," she recounts. "When I asked him why he was looking into restaurant management, he told me he loved working with people and was really dissatisfied working in an area where he didn't deal directly with the public."

Ideas for interviewing hourly employees . . .

Hourly employees are traditionally interviewed by the manager at the unit which has the opening. At Wendy's, managers look for crew based on

1. friendliness. Are they outgoing?

2. compatibility. Are they trainable and cooperative? and

3. availability. Can they work the hours needed? Do they have transportation or the ability to get to the job?

"We teach our managers how to make the best use of the short time they may have to interview an hourly applicant," points out Robinson. "We tell them how to review an application, where in the unit to conduct the interview, the best time of day to interview and how to check references. Wendy's field trainers give ideas on questions to ask."

One area of prime concern when hiring hourly employees is turnover. Stability is a factor that many operators look for. "When hiring hourly people, we are looking for people who have lived here with their family," explains Hurst of 15th Street Fisheries. "I look for people who have lived one or more years in the area. Generally, you can spot a snow bird since they show up in November," adds Hurst. "For dishwashers and cooks I especially want someone stable. I look over their job history to see if they held jobs for a while."

At Burger King applicants for hourly slots are evaluated both by their reasons for applying and by their outside interests. If a student spends 30 hours a week practicing with the high school band, it is assumed that he or she will not have the time to devote to a job. If, however, the student is working to pay tuition, car payments or insurance, for example, Burger King assumes that person has a real motivation to work.

Another important step in interviewing hourly employees is to check for cleanliness. Evaluating the applicant's general appearance is one obvious method, but some interviewers go a step further and check hands. "I ask them to put their hands on the desk or table," says Thelander. "Cleanliness is an essential part of the foodservice business and one that customers are emotional, rather than rational, about. Customers don't want dirty hands and fingernails."

Nonverbal signals can be helpful . . .

Other nonverbal signals during the employment interview can give the interviewer clues about the applicant. Here are a few examples.

Eye contact—If an individual makes eye contact, it is reassuring that what you tell them is being heard. Appropriate eye contact may suggest genuineness, normal social adjustment, confidence and sincerity. Avoidance of eye contact may signify self-doubt or instability. Excessive eye contact may suggest a tendency toward manipulation of people.

Body movement—Recruiters scouting for managers look for individuals who are not slumped but expressive, animated and involved in conversation. Purposeful body language is thought to be associated with leadership.

Dress—Experts agree that it is not the quality of the clothing but the appearance, coordination, style and neatness. Candidates should look like they are going to an interview. Jeans and a T-shirt show a lack of interest.

Handshake—Excessive vigor may suggest insecurity or a power orientation. Firmness may suggest self-confidence. Limpness may suggest lack of confidence or uncertainty.

Check references and credentials . . .

A reference check after the interview is a critical step. Some experts recommend throwing away the listed references, saying it is more useful to talk to former bosses or associates. This may well be good advice since, according to a 1982 study conducted by the New York executive search firm Thorndike Deland Associates, falsifying credentials is common. Candidates are most likely to conceal job performance (25 percent), compensation history (22 percent), academic history (11 percent) and employment history (11 percent).

"Especially for management people, I do not ask the nice questions when I do a reference check," explains Hurst of 15th Street Fisheries. "I ask the bad ones, such as, 'Was there a drinking problem or a drug problem which influenced the person's work? Would you hire the person back?' If there is a great deal of hesitation, I generally don't make them go on but investigate further. If other references have similar hesitation, there is a problem." More specifically, many recruiters look for clues to determine if irregular attendance was a problem on the last job.

After the reference checking is complete and the candidate is selected and has accepted the position, the interviewer should take the time to contact the other serious contenders. This will leave a good impression with those applicants that didn't get the job.

In sum . . .

There is no such thing as the perfect candidate. Each person you interview will be strong in some areas and weak in others. The objective is to assess what assortment of qualities and package of skills you are most likely to get with the particular individual. Picking the person that most closely matches your needs will ensure a good working relationship and will minimize personnel turnover. In an industry with a high annual turnover, it makes sense to put forth the effort to spot the superstars. ❑

THE BOARD ROOM

Balestreri names new committee chairmen

To ensure the consistency of NRA's goals and maintain the momentum of the association's numerous programs, one of the first acts of incoming NRA President Ted Balestreri was to appoint new chairmen to the board-level committees that direct the activities of NRA for the year 1985-1986.

Responsibility for overseeing the internal operations of the association has fallen to these directors: **Jack A. Laughery** (Hardee's Food Systems, Inc., Rocky Mount, NC), chairs NRA's Audit Committee. **James A. Collins** (Collins Foods Internatinal, Inc., Los Angeles, CA), heads the By-Laws Committee; NRA's new treasurer, **Michael J. Grisanti** (Grisanti, Inc., Louisville, KY) directs the activities of the Finance Committee; **Stanton D. Elliott** (Stanton's Restaurants, Eureka, CA), heads NRA's Nominating Committee; **Larry Hilaire** (Hilaire Restaurants, Portland, OR), chairs NRA's Pension Committee and **Walter Conti** (Conti Cross Keys Inn, Doylestown, PA), heads NRA's Investment Committee.

Responsibility for supervising activities outside the association has been given to these directors:

Robert T. Clift (Banner Food Enterprises, Oklahoma City, OK), serves as chairman of the Energy and Technical Services Committee, which reviews activities regarding energy conservation and sanitation.

Donald H. Clinton (Clinton's Restaurants, Inc., Los Angeles, CA), chairs the Membership Committee, which supervises member services and recruitment.

Jim L. Peterson (Whataburger, Inc., Corpus Christi, TX), heads the Communications Committee, which oversees NRA's media relations program, the ***NRA NEWS*** and all promotional activity.

Harris "Bud" Rusitzky (Serv-Rite Corp., Rochester, NY), chairs the Convention Committee, which plans the annual NRA Show.

John F. Cauley, Jr. (Friendly Ice Cream Corp., Wilbraham, MA), oversees the operation of the Education and Research Committee, which supervises NRA's seminars, conferences and research proects.

John R. Farquharson (ARASERVE, Philadelphia, PA) chairs the Government Relations Committee, which monitors legislative and regulatory issues and directs the association's government relations effort.

W. W. Naylor (Naylor Brothers Restaurants, Inc., Los Angeles, CA) and **Richard E. Marriott** (Marriott Corp., Washington, DC) chair the Political Action and Political Education Committees, respectively. PAC seeks to promote and preserve the free enterprise system in the United States, and PEC educates NRA members and others in foodservice about the importance of active participation in all areas of government.

Victor J. Impeciato (Vittorio's, Atlanta, GA), chairs the Human Resources Committee, which oversees NRA programs relating to employee recruitment, training and management.

Stephen M. Huse (Noble Roman's, Inc., Bloomington, IN), chairs the State Communications Committee, which reviews NRA's liaison with the state restaurant associations.

NRA President Balestreri also appointed chairmen of five special task forces: **Robert S. Wood** (Bob Evans Farms, Inc., Columbus, OH), Efficiency in Government; **Michael Hurst** (15th Street Fisheries, Ft. Lauderdale, FL), Strategic Planning; **Robert H. Power** (Nut Tree Restaurant, Nut Tree, CA), Additives; **Robert M. Rosenberg** (Dunkin' Donuts, Inc., Randolph, MA), Labor Issues Study and **Joe R. Lee** (General Mills Restaurant Group, Inc., Orlando, FL), Alcohol Awareness.

--Dorothy Dee

NRA membership elects new directors

During the Annual Membership Meeting at the 66th NRA Restaurant, Hotel-Motel Show, the following new directors were elected to the NRA Board:

- **Victor Cassano,** Cassano's Pizza & Subs, Dayton, OH
- **Joseph Gentile,** Seafood Shanty Restaurants, Bensalem, PA
- **Florence Jaramillo,** Rancho de Chimayo, Chimayo, NM
- **Erik Jensen,** Nielsen's Restaurant, Elmwood Park, IL
- **William H. Latham,** Olde English Pubs Ltd., Jackson, MS
- **Paul Lazar,** Wharf Tavern, Inc., Warren, RI
- **Arthur McGreevy,** Llewellyn Farms, Morris Plains, NJ
- **Donald O'Neill,** Spring House Restaurant, Rochester, NY
- **Bernard Schreiner,** Schreiners Restaurant, Fond du Lac, WI
- **Jackie Trujillo,** Harman Management Corp., Los Altos, CA, and
- **Joseph Fassler,** Greyhound Food Mgmt. Corp., Phoenix, AZ

Board members re-elected to additional terms are:

- **Donald H. Clinton,** Clinton's Restaurants, Inc., Los Angeles, CA
- **James A. Collins,** Collins Foods International, Inc., Los Angeles, CA
- **Michael Hurst,** 15th Street Fisheries, Ft. Lauderdale, FL
- **Harry A. Kingeman,** Indian Trail Restaurant, Inc., Winnetka, IL
- **Harry Knowles,** The Manor, West Orange, NJ
- **W. W. Naylor,** Naylor Brothers Restaurants, Inc., Los Angeles, CA
- **Harris Rusitzky,** Serv-Rite Corp., Rochester, NY
- **C. Marshall Scott,** Marshall Scott Enterprises, Inc., St. Louis, MO and
- **Robert S. Wood,** Bob Evans Farms, Inc., Columbus, OH

The foodservice industry: a brief look at 1983

For the 16th consecutive year the National Restaurant Association has prepared information on the size and scope of the foodservice industry, including sales and purchases for major markets, such as educational institutions, health care facilities and employee feeding programs; number of establishments and alcoholic beverage sales. The figures and analyses reported here provide a summary of the foodservice industry's performance during 1983. To obtain more detailed information on foodservice in 1983, see the accompanying box which tells how to order a free copy of the complete report.

The foodservice industry: 1983 in review . . .

Foodservice industry sales totaled $151.1 billion in 1983—up 8.1 percent from $139.8 billion in 1982. Real sales (adjusted for inflation) rose 3.9 percent, marking the best performance for the industry since 1977. NRA projects strong real sales gains for the industry in 1984 and 1985.

The proportion of the food dollar spent on food away from home reached a new high in 1983. In 1983, consumers allocated 39.5 percent of their food dollar to meals and snacks outside the home—up from a revised 38.2 percent in 1982.

For the first time in more than five years, **customer traffic** posted gains in all four quarters of 1983. Customer counts were especially strong in the summer (up 3.2 percent) and the fall (up 5.2 percent).

Menu prices continued to post modest gains—up only 4.4. percent in 1983 versus a higher 5.3 percent in 1982.

Food and drink sales for the **Commercial Feeding Group** reached $130.2 billion in 1983—up 9.1 percent from $119.4 billion in 1982. After adjusting for inflation, real sales posted a substantial 4.7 percent gain.

Eating place sales reached $95.2 billion in 1983, a hefty 9.9 percent advance over 1982 sales of $86.6 billion. Inflation adjusted sales were up a strong 5.5 percent, approximating 1978's 5.8 percent gain.

Limited menu (fast food) restaurants recorded the largest sales gain among eating places in 1983—11.7 percent. This category also experienced the strongest real sales growth in the eating place sector—7.3 percent.

Food and beverage sales at **restaurants and lunchrooms**—establishments offering tableservice—reached $50.5 billion. This represents an 8.8 percent increase over 1982 sales of $46.4 billion and a real sales gain of 4.4 percent.

Grocery store foodservice, including convenience stores, recorded the largest sales gain in the foodservice industry in 1983—up 16.6 percent. Other segments which performed well include airline feeding, foodservice at recreation and sports centers, foodservice on passenger liners and gasoline service station restaurants.

Institutional Feeding Group sales reached $20.1 billion in 1983—up a mere 1.8 percent from 1982 sales of $19.7 billion. Inflation adjusted sales declined 0.8 percent.

Military Feeding Group food and beverage sales rose 7.3 percent in 1983, reaching $766 million.

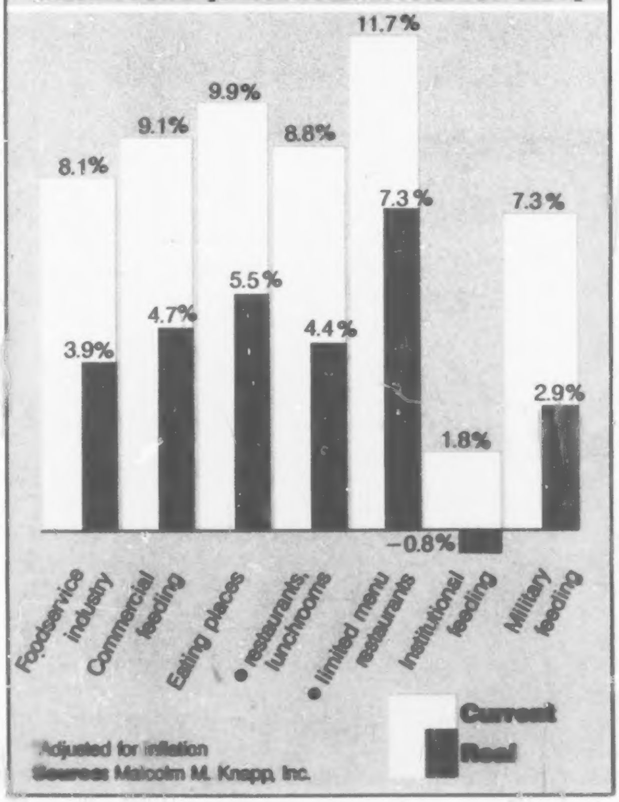
—*Sallie Adams*

For the complete report

For a copy of the detailed report, *The Foodservice Industry: 1983 in Review*, simply complete the card between pp. 40–41 and return it to the Research Department, National Restaurant Association, 311 First St. N.W., Washington, DC 20001. The report is free to NRA members. Non members must pay $10.00.

NRA's detailed report includes extensive data on the foodservice industry in 1983, including an analysis of all sectors of the eating place market as well as lodging places, educational feeding, employee feeding, health care feeding, transportation feeding, recreation feeding and military feeding.

Percent change in foodservice industry sales 1982–1983 (current and real* dollars)



*Adjusted for inflation
Source: Malcolm M. Knapp, Inc.

The statistical information and analyses for NRA's study on the size and scope of the foodservice industry in 1983 were prepared in consultation with the research firm of Malcolm M. Knapp, Inc.

Estimated food and drink sales and purchases, 1983

# of units	Type of establishment	Estimated food and drink sales (000)		Percent gain (loss)	Estimated food and drink purchases (000)
		1982	1983		1983
	Group I: Commercial Feeding[1]				
	Eating Places				
123,657[2]	Restaurants, lunchrooms	$46,428,487	$ 50,514,194	8.8%	$17,889,602
113,110	Limited menu restaurants	35,320,916	39,453,463	11.7	13,414,178
6,069	Commercial cafeterias	2,677,713	2,883,897	7.7	1,037,546
3,570	Social caterers	1,067,746	1,147,827	7.5	422,366
7,846	Ice cream, frozen custard stands	1,072,369	1,174,244	9.5	353,447
[redacted]					
33,990[3]	Bars and taverns	$ 7,905,065	$ 8,150,122	3.1%	$ 417,694[4]
[redacted]					
	Food contractors				
	Manufacturing and industrial plants	$ 2,258,294	$ 2,393,792	6.0%	$ 1,077,206
	Commercial and office buildings	709,943	763,189	7.5	343,435
	Hospitals and nursing homes	989,038	1,033,545	4.5	413,418
	Colleges & universities	1,407,073	1,494,312	6.2	478,748
	Primary and secondary schools	719,533	762,183	5.9	302,676
	In-transit feeding (airlines)	548,688	618,920	12.8	297,051[6]
	Recreational and sports centers	1,075,677	1,175,715	9.3	405,622
[redacted]					
	Lodging places				
13,906	Hotel restaurants	$ 5,944,444	$ 6,449,722	8.5%	$ 2,069,716
2,435	Motor hotel restaurants	1,032,536	1,119,269	8.4	360,709
13,378	Motel restaurants	1,655,546	1,791,301	8.2	592,297
[redacted]					
	Retail hosts				
6,128	Drug & proprietary store restaurants	$ 357,771	$ 369,935	3.4%	$ 133,177
1,644	Gen. merchandise store restaurants	56,768	60,117	5.9	21,101
5,202	Department store restaurants	923,969	985,875	6.7	359,844
5,111	Variety store restaurants	246,911	252,837	2.4	91,021
3,967	Food stores (except grocery)	192,325	207,903	8.1	66,737
23,001	Grocery store restaurants	863,675	1,007,045	16.6	345,416
8,232	Gasoline service station foodservice	758,660	851,975	12.3	292,227
3,608	Misc. retail. (liquor, cigar, etc.[8])	322,155	349,538	8.5	118,144
[redacted]					
	Recreation and sports				
2,882	Drive-in movies	$ 216,313	$ 232,104	7.3%	$ 71,952
3,933	Bowling lanes	645,774	677,417	4.9	242,515
N/A	Recreation & sports centers	797,372	912,093	14.4	314,672
[redacted]					
[redacted]					
3,267	Vending and non-store retailers[9]	$ 2,674,249	$ 2,860,377	7.0%	$ 915,321
N/A	Mobile caterers	500,353	537,379	7.4	177,335
[redacted]					
393,962	**TOTAL—GROUP I**	**$119,369,363**	**$130,230,290**	**9.1%**	**$43,025,173**

Footnotes

1. Data are given only for establishments with payroll.
2. Figures are latest census area reports or merchandise line detail counts or updates when reliable data become available.
3. Unit count includes only those establishments serving food; however, sales figures for all bars and taverns with payroll.
4. Food only. Cost of alcoholic beverages totaled $2,495,975,000.
5. Food and drink sales for non-payroll establishments totaled $2,992,506,000 with eating places accounting for $2,055,263,000 and drinking places $937,243,000.
6. Food purchase only.
7. Individual businesses, not locations. Contract feeders are included in eating place totaled in all Bureau of Census publications although their sales volume figures are significantly understated.
8. Includes SIC 59 except 591 and 596.
9. Includes sales of hot foods, sandwiches, pastries, coffee and other hot beverages.
10. School lunch commodities furnished in the calendar year 1983 under Secs. 6, 32 and 416 were worth $836,350,720. In addition, 182,948,460 half-pints of milk worth $17,413,520 were supplied.
11. Total number of colleges and universities which have foodservice whether contracted or not.
12. Represents sales or commercial equivalent to employees.
13. Sales (commercial equivalent) calculated for nursing homes and homes for aged only. All others in the grouping make no charge for food served.
14. All 50 states plus the District of Columbia.

***These institutions make no charge for food served.

Estimated food and drink sales and purchases, 1983

# of units	Type of establishment	Estimated food and drink sales (000)		Percent gain (loss)	Estimated food and drink purchases (000)
		1982	1983		1983
	Group II: Institutional Feeding—Business, educational, government or institutional organizations which operate their own foodservice				
	Employee feeding				
3,762	Industrial and commercial organizations	$1,458,274	$1,504,939	3.2%	$ 699,797
460	Seagoing ships (1,000+ tons)	49,775	46,191	−7.2	27,715
4,248	Inland waterway vessels	225,174	215,492	−4.3	129,295
	Educational feeding				
90,979	Public & parochial elementary and secondary schools (89,617 national school lunch program)[10]	$2,464,112	$2,577,461	4.6%	$2,853,958
1,001	Public colleges and universities[11]	1,961,023	2,049,269	4.5	878,276
1,599	Private colleges and universities[11]	822,429	882,055	7.2	432,022
	Transportation feeding				
55	Passenger/cargo liners	$ 133,651	$ 153,164	14.6%	$ 84,240
96	Airlines	504,574	571,622	13.3	284,719
2	Railroads	31,358	35,157	12.1	18,406
	Hospital feeding				
4,104	Voluntary & proprietary hospitals	$5,527,620	$5,344,325	−3.3%	$2,137,730
1,679	State & local short-term hospitals[12]	844,557	793,128	−6.1	545,458
703	Long-term general, TB & psychiatric hospitals	887,548	871,542	−1.8	348,617
342	Federal hospitals[12]	381,711	366,057	−4.1	296,602
25,130	Nursing homes, homes for the aged, blind, orphans, mentally & physically handicapped[13]	$2,704,629	$2,793,879	3.3%	$1,716,458
	Miscellaneous				
10,310	Clubs	$1,275,330	$1,391,385	9.1%	$ 581,599
2,249	Sporting & recreational camps	115,250	119,284	3.5	71,570
15,210	Community centers	344,023	374,228	8.8	441,583
N/A	Convents & seminaries	***	***	***	105,519
	Penal institutions				
791	Federal & state prisons	***	***	***	$ 361,395
3,338	Jails	***	***	***	279,696
166,058	**TOTAL—GROUP II**	**$19,731,038**	**$20,089,178**	**1.8%**	**$12,294,655**
560,020	**TOTAL—GROUPS I and II**	**$139,100,401**	**$150,319,468**	**8.1%**	**$55,319,828**
	Food furnished to foodservice employees in Groups I and II	***	***	***	$ 3,775,735
	TOTAL—GROUPS I, II & FSE	**$139,100,401**	**$150,319,468**	**8.1%**	**$59,095,563**
	Group III: Military Feeding				
N/A	Defense personnel	***	***	***	$ 1,813,492
700	Officers' & NCO clubs (open mess)[14]	$ 471,367	$ 506,248	7.4%	182,249
556	Military exchange foodservice[14]	242,793	260,274	7.2	106,712
1,256	**TOTAL—GROUP III**	**$ 714,160**	**$ 766,522**	**7.3%**	**$ 2,102,453**
561,276	**GRAND TOTAL**	**$139,814,561**	**$151,085,990**	**8.1%**	**$61,198,016**

Source: Malcolm M. Knapp, Inc.

Who likes what, where

New restaurant concepts

New concepts are invading all sectors of the restaurant industry. Until now, no one has attempted to quantify their effect on the industry or their appeal to consumers. However, recently NRA commissioned the Gallup Organization* to survey consumers about their preferences for 15 different restaurant concepts or specialties. The results are a first public glimpse at the demographics driving some of the most exciting new concepts in foodservice today.

The objectives of this survey were threefold:

- To identify the concepts that have received the widest acceptance among consumers.
- To pinpoint concepts poised for expansion.
- To identify specific market segments or consumer groups that find each new concept appealing.

The survey questioned consumers about their visits to specialty restaurants in the past three months and their likelihood of visiting such restaurants if the opportunity existed. As shown in the accompanying table, the specialties ranged from barbecue to display cookery.

Four out of 10 have tried pizza delivery . . .

The question asked of all adults was "In the past three months, have you eaten a meal or snack from a place that specializes in . . . . ?" The results show that pizza delivery is, by far, the most often tried restaurant concept or specialty. In the first three months of 1985 four out of 10 adults reported they had a meal or snack from a place specializing in pizza delivery. This translates into approximately 70 million people.

The market segments most likely to order delivered pizza are those that have a high interest in convenience. This includes the 18 to 24-year-old group, with more than six out of 10 respondents stating they had a pizza delivered. Nearly half of the respondents from households where the female head is employed full-time or where there are three or more members had a delivered pizza within the past 90 days.

Not surprisingly, pizza delivery is most common in the Midwest (46 percent) and the East (43 percent) and less common in the West (35 percent) and the South (36 percent). The reason: Several pizza chains are heavily concentrated in the Midwest and East.

Pasta and barbecue are regional favorites . . .

Four of the specialties included on the survey were tried by about one-third of the adults interviewed. These include:

- American regional cuisine (36 percent)
- Pasta (35 percent)
- Barbecue (34 percent)
- Hamburgers with a wide variety of toppings (33 percent).

Pasta and barbecue are especially popular in specific regions of the country. Easterners show a strong preference for pasta, with nearly half the respondents from the East reporting they had eaten a meal or snack from a restaurant specializing in pasta in the first three months of 1985. Barbecue restaurants are popular with Southerners. Forty-five percent of the adults from the South said they had eaten a meal or snack from a barbecue restaurant.

Gourmet hamburger restaurants are most likely to be tried by the baby boom generation. These include 18 to 34-year olds, individuals from households with incomes above $30,000, singles and working women. Nearly four out of 10 adults from these demographic groups reported they had eaten a meal or snack from an establishment with a liquor license that specializes in hamburgers with various toppings.

One-fourth have tried Asian fast food . . .

Although Asian or Oriental fast food is a relative newcomer to the restaurant industry, it is quickly catching on. Approximately 25 percent of those surveyed, or 44 million adults, reported eating Asian fast food in the first 90 days of 1985. (This high incidence may suggest that many consumers view the traditional Chinese takeout restaurant as an Asian fast food place.)

Not surprisingly, residents of the West (34 percent) and the East (31 percent) are most likely to have tried Asian fast food. Also, nonwhites, which include Asians, are likely users of Asian fast food concepts, with nearly one-third reporting a recent visit to such a place. College graduates, working women, singles and 18 to 49 year olds also said they had a meal or snack from a place specializing in Asian fast food in recent months.

Women and older consumers like diet and lite menus . . .

One out of four consumers tried a restaurant specializing in diet or lite menu items, according to the results of NRA's survey. Women, and particularly those employed part-time, are likely users of such es-

For more information

NRA has published a more in-depth report detailing the demographic characteristics of individuals who have tried these 15 different restaurant concepts or specialties in the first three months of 1985 and those who are likely to try them if they have the opportunity. Extensive information by age, sex, household income, household size, marital status and region of the country is provided in this report, *Consumer Preferences for New Restaurant Concepts*.

The cost to NRA members is $10.00 (plus $2.00 shipping and handling), and the cost to non-members is $20.00 (plus $2.00 shipping and handling). Residents of Washington, DC, must add a six percent sales tax. Illinois residents must add seven percent. Chicago, IL, residents must add an additional one percent sales tax, bringing their sales tax total to eight percent.

To order, contact NRA, 311 First Street, N.W., Washington, DC 20001 or call (800) 424-5156 or (202) 638-6100. *Payment must accompany all orders.* Credit card telephone orders are accepted. Please specify order number CS 800 when ordering.

tablishments. In addition, older adults are more interested in diet and lite menu items, with nearly three out of 10 people between the ages of 35 and 49 stating they had recently been to a restaurant that offered diet and lite items.

Consumers from upper income households and those who have a college education are also likely users of diet and lite menu restaurants. Individuals least likely to patronize such places include males, adults 18 to 24-years old, adults with less than a high school education and people from households with five or more persons.

Consumer patronage of specialty restaurants

Specialty restaurant	**Proportion of patronage***
Pizza delivery	40%
American regional cuisine	36
Pasta	35
Barbecue	34
Hamburgers with a wide variety of toppings; alcoholic beverages available	33
Premium ice cream	32
Freshly baked cookies	29
Diet or lite menu items	26
Oriental fast food	25
Gourmet, ready to eat take out foods	18
Marinated, broiled or Mexican style chicken	17
Spicy, Cajun-style cooking	14
Display cooking in front of patrons	12
Sushi or sashimi	7
Mesquite grilling	5

**Number of adults who have patronized restaurants in the first three months of 1985.*

Source: *Consumer Preferences for New Restaurant Concepts,* National Restaurant Association, April, 1985.

Ice cream and cookies—a big hit . . .

Three out of 10 adults surveyed reported they had been to either a restaurant specializing in premium, hand dipped ice cream or a place specializing in freshly baked cookies. Younger consumers are the most likely to patronize such places, with 42 percent of the 18 to 24-year olds reporting a recent visit to an ice cream restaurant and an even higher 44 percent of the group reporting a recent visit to a place that offers freshly baked cookies.

Working women show a preference for these dessert items—35 percent have been to an ice cream place and 36 percent have purchased a freshly baked cookie. Households with three or more people, where at least one of the individuals is likely to be a child, also are likely patrons of restaurants specializing in ice cream and cookies.

Regional concepts relatively unknown . . .

Four of the restaurant concepts included on this survey were tried by fewer than one in five adults:

- marinated, broiled or Mexican style chicken
- spicy, Cajun-style cooking
- sushi or sashimi and
- mesquite grilling.

Part of the reason for the low-trial figures is due to the concentration of these concepts in the South and the West. In addition, they involve relatively unknown or unusual methods of preparation. However, even the least tried, mesquite grilling, has been tried by nearly nine million adults in the first three months of 1985.

The demographic groups most likely to try these concepts include 25 to 34-year olds, college graduates, working women and upper income households. This is particularly important since these are the segments that are likely to grow most rapidly through the remainder of this decade.

People are eager to try new concepts . . .

NRA also wanted to discover the potential market for these 15 restaurant specialties or concepts. Respondents were asked how likely they would be to try these restaurants in the future if they had the opportunity. Only those who did not eat in each type of restaurant in the three months prior to the survey were queried about their future habits. The types of restaurants that elicited the greatest interest were those offering premium, hand dipped ice cream (37 percent likely to try), barbecue (35 percent likely to try) and freshly baked cookies (30 percent likely to try).

At least one in five said that if they had the opportunity they would be likely to try a restaurant specializing in pasta (28 percent), American regional cuisine (27 percent), hamburgers with a variety of toppings (24 percent), pizza delivery (24 percent), display cooking in front of patrons (22 percent), Asian fast food (21 percent) and gourmet, ready-to-eat takeout foods (20 percent).

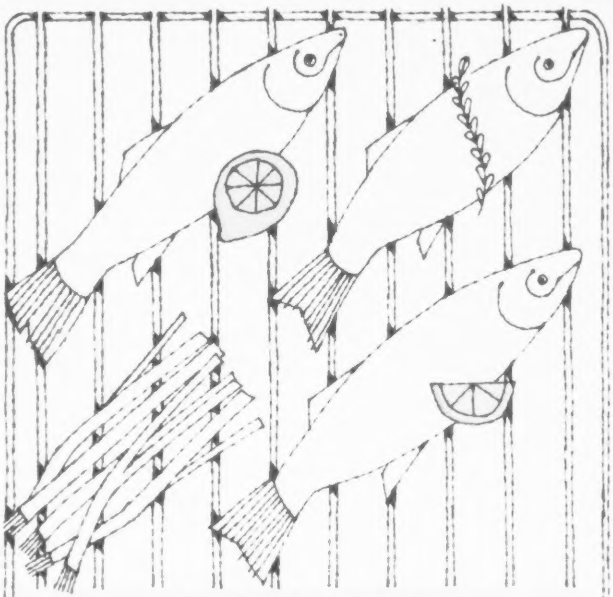
The other concepts will each enjoy significant growth as well. For example, although only eight percent of the respondents said they are likely to try sushi or sashimi, this figure translates into 12 million adults—a significant number. In addition, 12 percent, or 18 million adults, indicated they would try a restaurant featuring mesquite grilled menu items, and 16 percent, or 25 million people, reported they would try a restaurant specializing in Cajun-style cooking.

Young adults most likely to try new concepts . . .

Young adults—primarily those between the ages of 18 and 24—have the greatest tendency to experiment with new restaurant concepts and foods. Half the young adults indicated they would try premium, hand dipped ice cream; barbecue; freshly baked cookies; pizza delivery and pasta, if given the opportunity.

Working women, adults between the ages of 25 and 34, upper income people and college-educated individuals also display a tendency to try many of these new restaurant concepts. In particular, they would like to visit pasta restaurants, barbecue restaurants, gourmet hamburger places, establishments that offer display cooking in front of patrons, gourmet take out operations, pizza delivery restaurants and places that specialize in Cajun-style cooking.

Certain regions of the country appear to be strong expansion areas for many of these concepts. For example, Southerners and Westerners report a strong tendency to try restaurants specializing in mesquite grilling and Cajun cookery, perhaps because they are best known in these areas. Westerners are likely to try sushi restaurants—one out of 10 said they would likely try such a place. Mexican-style chicken, not surprisingly, would find most favor in the South (19 percent) and West (20 percent). On the other hand, Oriental fast food appears to be desired in all regions of the country, with the possible exception of the South. More than two out of 10 respondents from the East, West and Midwest reported they would try an Asian fast food establishment versus only 17 percent of the Southerners.

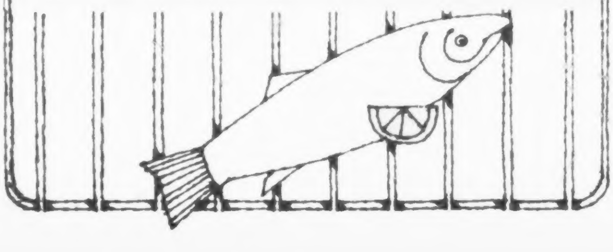


Likelihood of trying specialty restaurants

Specialty restaurant	Percent responding . . . * Likely	Uncertain	Unlikely
Premium ice cream	37%	16%	46%
Barbecue	35	18	44
Freshly baked cookies	30	14	55
Pasta	28	15	55
American regional cuisine	27	19	50
Hamburgers with a wide variety of toppings, alcoholic beverages available	24	16	58
Pizza delivery	24	13	61
Display cooking in front of patrons	22	16	60
Oriental fast food	21	13	64
Gourmet, ready to eat take out foods	20	17	61
Diet or lite menu items	19	16	62
Marinated, broiled or Mexican style chicken	17	15	66
Spicy, Cajun-style cooking	16	10	70
Mesquite grilling	12	9	66
Sushi or sashimi	8	6	80

*Asked only of those respondents who had not tried the restaurant specialty in the first three months of 1985.

Source: *Consumer Preferences for New Restaurant Concepts,* National Restaurant Association, April, 1985.



Consumers are seeking diversity . . .

The results of this study reveal that consumers are seeking diversity in their eating out choices. They want convenience as exhibited by the high trial rate and likelihood of trying pizza delivery and gourmet take out. They like quick snack foods, such as premium, hand dipped ice cream and freshly baked cookies. And they like to be entertained as exhibited by the popularity of places that specialize in display cooking in front of patrons.

Perhaps the more important result from this survey is the fact that specific demographic segments—the young, the educated, the upper income, singles and working women—are especially interested in these new restaurant concepts and specialties. These are the demographic groups which not only are expected to grow rapidly in the coming years, but also these are the people who enjoy eating out and do so frequently.

—*Bette Hoyt*

**In March, 1985, the National Restaurant Association commissioned the Gallup Organization to conduct a survey of adults concerning their use of and likelihood of using 15 different restaurant concepts or specialties. A total of 2,069 men and women, 18 years of age and older, were interviewed by telephone during the two weeks beginning March 11 and ending March 31, 1985.*

How your customers decide what to tip

The prospect of tips often keeps wait staff on their toes—and with good reason. Results from a recent Gallup survey* indicate that the amount of money restaurant customers leave as tips depends on their satisfaction with the service they receive. Less than a quarter of the respondents said they always leave the same tip.

Friendly courteous service key . . .

Service ranks number one with patrons when deciding what amount to tip a waiter or waitress. Eighty-five percent of those surveyed agreed with, "The amount I leave as a tip depends on my satisfaction with the service I get."

Because the word service connotes many things, consumers were questioned about their most important considerations in deciding what amount of tip to leave. Half (50.4 percent) said courteous/friendly/polite service was their most important consideration. About one-third indicated that quick/fast/prompt service was important, and an additional one out of three said good service was an important consideration. Twenty-five percent reported that the attentiveness of the waiter or waitress was considered when deciding the tip.

Other criteria mentioned by fewer than one out of 10 respondents included kind of meal eaten, extent of service received and kind of restaurant.

Information from NRA's *Consumer Expectations with Regard to Dining at Atmosphere Restaurants* provides some insight into how patrons expect to be served. Generally, they want to be greeted with a smile, seated and served promptly and asked if the meal is all right. Restaurant patrons are particularly interested in being made to feel at ease when they are dining out and nearly all patrons want their waiter or waitress to be knowledgeable about the menu and how items are prepared. In addition, they want to receive prompt attention to their needs, which includes having coffee cups refilled, emptying ash trays and bringing the check when the meal is over.

Quality service—important to men and women . . .

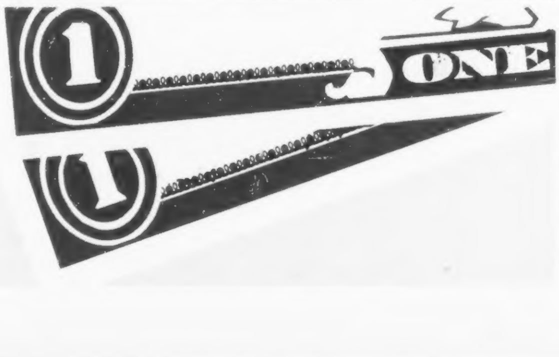
Men and women agree that quality service is an important factor when deciding how much to tip a waiter or waitress. A nearly equal number of men (86.1 percent) and women (85 percent) said they agreed that the amount they tip depends on their satisfaction with service. Women, however, appear to be slightly more concerned with aspects such as courteous service and good service. For instance, more than half the female respondents (52.1 percent) rated courteous and friendly service as an important consideration for determining the tip versus a smaller 48.3 percent of the males. Additionally, 40 percent of the women listed good service as a criteria, while only 34.2 percent of the men did so.

Men, on the other hand, were more likely to report they always pay the same amount or percentage when they tip. Nearly 18 percent of the men said they did so versus 9.8 percent of the women. However, when men and women were asked to agree or disagree with, "I always tip the same percentage," equal proportions (25 percent) agreed. This might indicate that many women, who indicated they always tip the same percentage, do not really do this, but base more of their decision on the dining experience.

Criteria used to determine amount of tip

Criteria	Total
Courteous/friendly/polite service	50.4%
Quick/fast/prompt service	37.3
Good service	37.2
Attentive/alert waiter/waitress	25.4
Always pay same amount/percentage	13.4
Kind of meal	10.2
Extent of service	6.1
Kind of restaurant	3.5
If it makes me feel important/good	2.7
Quality of food	2.3

Note: Multiple responses were allowed.
Source: *Gallup Monthly Monitor of Eating Away from Home*, NRA proprietary question, February/March, 1985.



There are also differences in the way working and non-working women determine the tip. More than 62 percent of the women who work part-time and 56 percent of those who work full-time indicated that courteous service is an important criteria versus 46.1 percent of the women who do not work outside the home. In addition, an attentive, on-the-ball wait person is an important consideration for more than three in 10 working women, while slightly more than two in 10 non-working women said that it was a criteria. Interestingly, women who do not work are more inclined to always tip the same percentage than women who do work. More than three in 10 non-working women agreed with the statement, "I always tip the same percentage" compared with women who work full-time (18 percent) and part-time (18.9 percent).

Younger consumers look for quality . . .

Younger consumers tend to emphasize the quality of service as a tipping consideration more than do older respondents. Most notably, 91.7 percent of the 25 to 34 year olds revealed they agree that the tip they leave depends on their satisfaction with service. A substantial 89.2 percent of the 35 to 49 year olds and 87.7 percent of the 18 to 24 year olds also share this sentiment. This compares with a somewhat lower 82 percent of the 50 to 64 age group and 73.1 percent of the respondents 65 and older.

In particular, younger patrons are more likely to base the tip on courteous

FEDERAL RESERVE NOTE
UNITED STATES OF AMERICA

Criteria used to determine amount of tip by age

Criteria	18–24	25–34	35–49	50–64	65+
Courteous/friendly/polite service	54.0%	61.7%	52.6%	45.6%	35.5%
Quick/fast/prompt service	31.0	43.8	39.3	40.5	26.2
Good service	31.0	43.1	41.2	39.9	26.5
Attentive/alert waiter/waitress	29.8	29.0	26.7	25.0	16.3
Always pay the same amount/ percentage	15.5	7.6	10.9	17.1	19.2
Kind of meal	12.3	10.2	9.1	7.9	11.8
Extent of service	6.3	7.6	5.2	4.7	6.4
Kind of restaurant	5.6	3.6	3.7	1.3	3.2
If it makes me feel important/good	0.8	2.4	2.7	4.4	2.9
Quality of food	2.0	2.9	3.5	1.9	1.0

Note: Multiple responses were allowed.
Source: *Gallup Monthly Monitor of Eating Away From Home*, NRA proprietary question, February/March 1985.

and quick service than are older patrons. More than six in 10 respondents in the 25 to 34 age group rated courteous and friendly service as an important criteria, followed by 54 percent of the 18 to 24 age group and 52.6 percent of the 35 to 49 group. Senior citizens gave courteous and friendly service a considerably lower rating—only 35.5 percent placed importance on this factor. The 25 to 34 age group also considered quick service important for determining the tip. Almost 44 percent of this group reported they take quick service into consideration versus 26.2 percent of respondents 65 and older.

On the flip side, older Americans are far more inclined to leave the same gratuity than are younger consumers. Two in 10 respondents in the 65 and older group reported they do so versus a considerably lower 7.6 percent of the 25 to 34 year olds. When questioned directly, an overwhelming 44.7 percent of the respondents in the 65 and over group agreed that they repeatedly tip the same percentage, while only one-fifth of the 25 to 34 year olds agreed.

Frequent diners have higher expectations . . .

Frequent restaurant patrons have higher expectations for the quality of service they receive than do less frequent patrons. Nearly nine in 10 very frequent patrons (those who dine out four or more times a week) said they base the tip on the quality of service. In comparison, 77.9 percent of the infrequent patrons (those who eat out less than once a week) agreed that the tip they leave depends on service.

Customers who dine away from home frequently are also more concerned with factors such as courteous and quick service. Nearly 57 percent of the frequent patrons (those who eat out two or three times a week) indicated that courteous service is a very important criteria for determining the tip. In comparison, slightly under 53 percent of the consumers who dine away from home once a week (occasional patrons) emphasize friendly service while only 40.1 percent of the infrequent diners require courteous service.

Very frequent restaurant patrons are the most likely group to emphasize quick service, with more than four out of 10 individuals from this group indicating this is important. Frequent patrons also tend to base the tip on speedy service—41.3 percent. In comparison, a considerably smaller 25.4 percent of infrequent customers reported basing the tip on quick service.

On the other hand, infrequent and occasional restaurant patrons are more inclined to always tip the same percentage. When examining consumer attitudes, three in 10 of those who revealed they dine out less than once a week agreed they always tip the same percentage. This compares with a somewhat smaller 22.6 percent of patrons who dine away from home two or three times a week and 26.5 percent of the patrons who dine out four or more times.

Should management know the size of tip? . . .

Should management be privy to the amount customers tip their waiters and waitresses? The answer is no, according to an overwhelming 84 percent of those surveyed. Only one in 10 consumers felt that management should know how much gratuity their wait personnel receive, while 5.1 percent had no opinion.

This belief is held by all demographic groups in nearly equal proportions.

In sum . . .

When they dine away from home, consumers generally will base the tip on their satisfaction with the service. Not only do waiters or waitresses who provide courteous, quick and overall good service receive generous tips, but they also probably play a large role when customers make a decision to return to a restaurant.

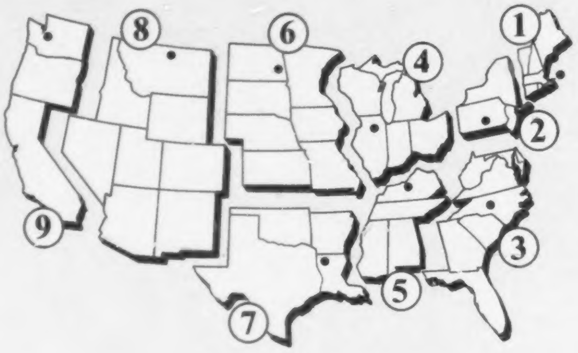
—Susan Adelman

* The Gallup Monthly Monitor of Eating Away from Home. *The interviewing for NRA's tipping question took place between February 11 and March 3, 1985. Telephone interviews were conducted with approximately 1,000 adults 18 years of age and older. On the survey NRA included the question, "What are your most important considerations when deciding what amount of tip to leave?" Respondents also were requested to rate, on a scale of one to five, their agreement or disagreement with the following statements, "The amount I leave as a tip depends on my satisfaction with the service I get" and "I always tip the same percentage." In addition, the survey asked respondents whether or not restaurant management should know the amount of tip left by a customer.*

How's Business?

by Cecelia Niepold

In general, restaurateurs are optimistic about business and continue to try to attract and keep customers with new promotions and special menu items.



①

NORTHEAST

Location: Portsmouth, RI
NRA members: Anna and George Karousos
Operation: Sea Fare Inn
Profile: Fine dining establishment
In business: 5 years
Seats: 278
Meals served: Lunch, dinner

"We're doing great—Business has increased about 32 percent," says **Anna Karousos,** co-owner of Sea Fare Inn. She attributes this success to close personal involvement. "We don't have any managers. We work the business by ourselves," she explains. Mrs. Karousos and her husband also focus on quality, consistency and customer needs.

The Sea Fare Inn is a fine dining establishment emphasizing continental cuisine. Specialties include seafood dishes with light nouvelle sauces. Fresh vegetables, fruits and herbs grown on the Karousos' seven-acre farm lend a personal touch to the menu.

②

MIDDLE ATLANTIC

Location: Bird-in-Hand, PA
NRA member: Robert Lapp
Operation: Plain and Fancy Farm
Profile: 2 restaurants, several shops and a museum
In business: 26 years
Seats: 800 and 125
Meals served: Breakfast, lunch, dinner

"We've had a fairly good spring. Tour group business has been off slightly, but individual customer counts have been up," says **Robert Lapp,** owner of the Plain and Fancy Farm.

Located in the heart of Pennsylvania Dutch country, the Plain and Fancy Farm offers a hospitable taste of Amish and Mennonite culture. Craft shops, a traditional Amish house, buggy rides and local food specialties are among the attractions.

The main dining facility, a large renovated barn, offers family-style service. Waiters serve heaping platters, which include the three main entrees of the day, a variety of vegetables, rolls and several desserts. Platters are continually replenished. Tables seat 10, and strangers are often seated together. The wait staff makes sure customers are introduced to each other, encouraging the formation of new "families" and friendships.

③

SOUTH ATLANTIC

Location: Charlotte, NC
NRA member: Robert Smoots
Operation: Eli's on the East Limited
Profile: Fullservice restaurant and catering operation
In business: 4 years
Meals served: Lunch, dinner

"Business has been excellent," says **Robert Smoots,** owner of Eli's on the East Limited. The Charlotte area is benefiting from the overall growth of the Southeast, he explains.

Eli's, located in a restored Victorian house, offers a warm, intimate atmosphere. The restaurant is divided into the four major rooms of the original house. Each contains only four to seven tables and can be closed off to accommodate private parties. Nightly specials, such as fresh fish and veal dishes, are described on a menu board. The nightly specials have been very successful; they comprise 65 percent of the total dinner sales each night.

Smoots has started a catering operation in conjunction with the restaurant. One specialty is the executive lunch box service. Unusual packaging, such as containers shaped like small briefcases or blueprints of houses (for a local realty group), have become signature items. Smoots has found that the rapidly growing catering service also provides excellent word-of-mouth advertising for the restaurant.

④

EAST NORTH CENTRAL

Location: Utica, IL
NRA member: Jo Schmidt
Operation: Starved Rock Lodge
Profile: Lodge with 2 dining rooms and meeting facilities
In business: 46 years
Seats: 300
Meals served: Breakfast, lunch, dinner

"Business has begun to pick up since more people are traveling," says **Jo Schmidt,** owner of the Starved Rock Lodge.

Located in a large state park near the Illinois River, the Starved Rock Lodge features 45 guest rooms, 12 rustic cabins nestled in a wooded area and two dining rooms that primarily serve American dishes. Customers include individual travelers as well as conference attendees.

The lodge, a stone and log structure, offers a taste of yesteryear. Huge fireplaces, pine-panelled rooms and open-beamed ceilings provide a comfortable, warm atmosphere.

5

EAST SOUTH CENTRAL

Location: Louisville, KY
NRA member: Thomas Strohmeier
Operation: Kingfish Restaurants
Profile: 4 seafood restaurants
In business: 37 years
Seats: Average—250
Meals served: Lunch, dinner

"Business is going fairly well—somewhat better than last year," says **Thomas Strohmeier,** vice president of Kingfish Restaurants. According to Strohmeier, the local economy has not been very good. The area is in a transitional stage, changing from manufacturing to a service-based economy.

The Kingfish Restaurants serve a large variety of seafood items and offer both dining room and carryout service. Cod dishes are the most frequently ordered items. Customers can choose among 10 to 12 different cod entrees, ranging from sandwiches to platters.

Strohmeier has noticed a definite trend toward lighter food among his customers. "There is a great demand for broiled items," he explains. He recently added four large seafood dinner salads to accommodate customer preference for lighter meals.

6

WEST NORTH CENTRAL

Location: Fargo, ND
NRA member: Warren Ackley
Operations: Old Broadway Restaurant and Off Broadway Restaurant
Profile: 2 fullservice restaurants
In business: 10 years
Seats: 240 and 140
Meals served: Breakfast, lunch, dinner

"We had a little decline last fall, but things have turned around somewhat this spring," explains **Warren Ackley,** owner of the Old Broadway and the Off Broadway Restaurants. The economy in Fargo, basically a farming community, has not experienced much growth.

The Old Broadway and the Off Broadway are both fullservice theme restaurants. The Old Broadway has a turn-of-the-century atmosphere, while the Off Broadway has an art deco decor with movie posters and other entertainment-related knickknacks.

To attract customers, Ackley features novelty and ethnic promotions. For instance, a recent celebration centered around Norwegian Independence Day. Norwegian specialties and blue beer (to match the fjords) were served. "It was a lot of fun and gave customers a chance to try unfamiliar foods," explains Ackley.

7

WEST SOUTH CENTRAL

Location: Shreveport, LA
NRA member: Charlotte Anthony
Operation: Smith's Cross Lake Inn
Profile: Fullservice restaurant
In business: 30 years
Seats: 350
Meals served: Dinner

"Business has picked up considerably since the racing season opened," says **Charlotte Anthony,** manager of Smith's Cross Lake Inn. Nearby Louisiana Downs has a 105-day racing season that generally helps boost the restaurant's business.

Smith's Cross Lake Inn, located on Cross Lake in Northwestern Louisiana, specializes in catfish caught right in the backyard—Cross Lake. "Our blue-tailed catfish is the best in the world. It tastes like no other," boasts Anthony.

One thing special about Smith's Cross Lake Inn is its practically non-existent employee turnover. The inn hasn't hired a new waiter or waitress in 20 years. Consequently, the service staff has a very comfortable relationship with the customers. "When people walk in, the waiters call them by their name. It makes customers feel right at home," Anthony maintains.

8

MOUNTAIN

Location: Havre, MT
NRA member: Bill Dritshulas
Operation: Duck Inns Inc.
Profile: Motel with 2 restaurants and meeting facilities
In business: 48 years
Seats: Supper club—140, tavern—112, banquet rooms—400
Meals served: Lunch, dinner

"Business hasn't been too bad. This year should be better than last year," maintains **Brent Giachino,** manager of Duck Inns Inc. Havre, a town of 14,000, is located in a somewhat depressed agricultural area.

The Duck Inn includes a small motel, two restaurants and meeting facilities. The main dining room features a Mediterranean decor and offers steak and seafood specialties and a soup and salad bar. A recent addition, a Friday night seafood buffet, has been very successful.

The tavern serves burgers and sandwiches in an early 1900s atmosphere. Old photographs of Havre add a nostalgic touch. Some games, such as bingo, are also featured.

9

PACIFIC

Location: Lynwood, WA
NRA member: Bradford Augustine
Operation: Rare Bird Restaurants, Inc.
Profile: 3 fullservice restaurants
In business: 5 years
Meals served: Sunday brunch, lunch, dinner
Seats: Average—150

"Although the general economy has been fairly flat in the greater Seattle area, we should see an improvement in the spring and summer," says **Bradford Augustine**, president of Rare Bird Restaurants, Inc.

Augustine opened his third restaurant, Pelican Pete's, six months ago. Located in the Everett Marina near Seattle, the restaurant features waterfront dining and a contemporary menu with more than 64 entrees, including many fresh pasta and seafood items. To cater to the boating crowd, the restaurant offers a special boater's breakfast every Saturday.

Augustine is a firm believer in community-minded promotions. For instance, one upcoming promotion will mirror the annual charity wine auction held in France to benefit the Hospice de Beaune. Augustine plans to offer a five-course meal with different wines from the Hospice de Beaune vineyard and will donate the proceeds to the Children's Orthopedic Hospital. "It will expose people in Seattle to true Hospice de Beaune wine and benefit a local charity as well," he explains.

FOOD FOR THOUGHT

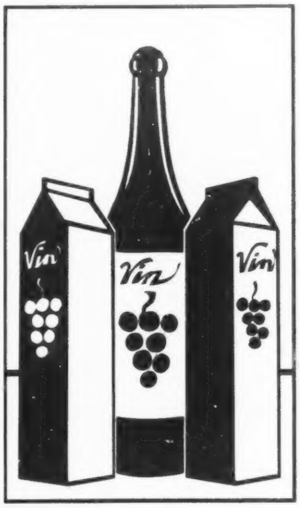
Busing teens to work

In today's hotly competitive teen job market, employers are often faced with a scarcity of applicants for hourly jobs. Higher salaries and extra fringe benefits are often held out as bait in many regions. This is ironic since there are often large numbers of unemployed youth located in nearby inner cities.

Recently in Boston, an industry council has responded by starting a bus system that transports urban youngsters to the high-tech area along Route 128 where they find work running word processors and entering data.

—*Time* magazine

Wine: boxed or bottled?



Sommeliers may soon be inquiring not only if diners would prefer red or white wine with their meal but if they'd prefer wine served from a box or bottle as well. Tetra-Paks—aseptic containers of waxboard, cardboard or aluminum that are currently used for juice in the U.S.—are gaining acceptance abroad as wine containers, and they seem to be headed this way.

"These containers actually provide better protection for wines designated for early consumption," maintains Stanley Rose, executive vice president of Compagnie International des Vines, a company that recently began importing boxed European wines into the U.S.

Rose acknowledges that U.S. acceptance of boxed wines thus far has not been great. However, his company plans to overcome resistance by introducing a new 187-ml. size. "The 187 ml. will be our vehicle to get consumers used to the idea of the Tetra-Pak," he says.

How big is the 187 ml? It will fit into your shirt pocket.

—*The Mayfair Group, Inc.*

Ancient birthplace of haute cuisine

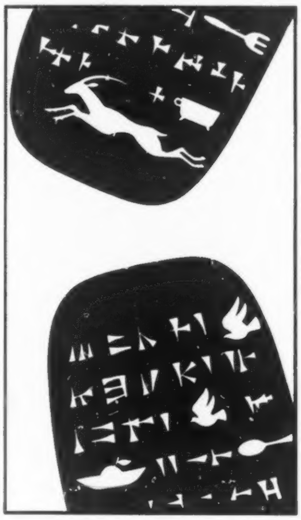
Mesopotamia, the strip of land between the rivers Tigris and Euphrates that is now part of Iraq, has long been called the cradle of civilization. Now it may also become known as the birthplace of haute cuisine.

Deciphering symbols on stone tablets housed at Yale University, French scholar Jean Bottero has discovered what are by far the oldest recipe books in existence. Written in an ancient Babylonian language, the recipes were apparently carved onto stone around 1700 B.C.

According to Boterro, the tablets reveal "a cuisine of striking richness, refinement, sophistication and artistry, which is surprising from such an early period." For instance, one tablet features recipes that include stag, gazelle and pigeon meat cooked in red, clear or tart stews with bread crumbs on top. Salt played a minor role in these culinary creations of long ago, while fats, oils and onions of every variety were used heavily.

Bottero theorizes that modern Turkish-Arabic cuisine is the likely evolutionary descendant of the cooking traditions created by the master chefs of Babylon.

—*New York Times*



Calories count at power lunches, too

Top corporate executives aren't concerned only about the bottom line. They're also worrying about their waistlines.

According to a survey of *Fortune* 500 presidents, conducted by Dietary Management Consultants, 30 percent of the 85 respondents watch their caloric intake at least half the time; 20 percent watch it all the time. Sixty-six percent said they are within 10 pounds of their ideal weight. Almost half said they exercise at least three times a week, and 65 percent don't snack.

However, not all looks good at the top: Although 46 percent are concerned about saturated fats, 56 percent eat fried main dishes one to three times a week. And 52 percent still add salt at the table.

—*USA Today*

Announcing two new foodservice management publications from NRA

BUILD YOUR BUSINESS

BUILDING PROFITS

As growing costs and heavy competition erode today's profit margin, foodservice operators must constantly look for new ways to build business. **Building Profits** is a collection of over 30 of the best articles from the *NRA News* on just that subject—your profits. Chapters zero in on maintaining controls as well as new profit centers and targeting potentially lucrative markets. By bringing together all this relevant information in one place, **Building Profits** becomes an excellent reference tool to use when planning a market strategy, developing next year's budget or looking for potential market opportunities.

MG280, 100 pages,
soft cover, $14.95

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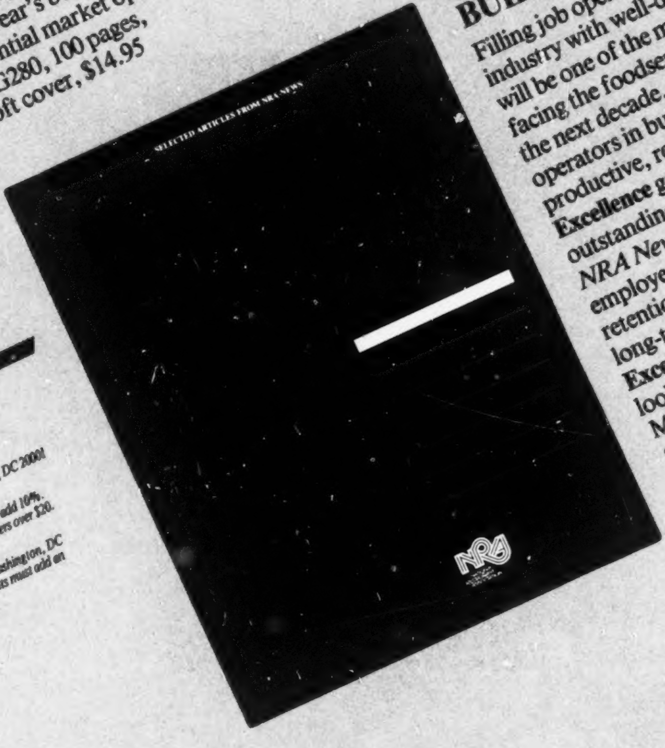
BUILDING EXCELLENCE

Filling job openings in the foodservice industry with well-qualified candidates will be one of the major challenges facing the foodservice industry during the next decade. To aid foodservice operators in building a strong, productive, reliable staff, **Building Excellence** gathers together an outstanding group of articles from the *NRA News*. Articles delve into employee selection, motivation and retention. If you want to develop a long-term team of employees, **Building Excellence** should be the first place you look.

MG865, 56 pages, 1984,
soft cover, $11.95



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National Restaurant Association

Vol. 5 ☐ No. 7 ☐ August 1985

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NRA NEWS

Motorcoach tours/Restaurants
A Lucrative Partnership

NRA MEETINGS

Seminars

Basic Foodservice Courses

Basic Supervision in Foodservice

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Dining Room Management

9/4	Winnipeg, Manitoba, Canada
9/16	Las Vegas, NV
9/24	Burlington, VT
10/8	Bloomington, MN
10/22	Madison, WI
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Kitchen Management

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9/12	Birmingham, AL
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10/22	Colorado Springs, CO
10/24	Eugene, OR

People-power and Profits

9/12	Tucson, AZ
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Tools for Training

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9/4	Minneapolis, MN
9/18	Columbia, SC
10/24	Kansas City, MO
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Food Production Courses

Creative Buffets

9/9	Atlantic City, NJ
9/19	Newport, RI
10/10	Arlington, VA
10/17	Indianapolis, IN

The Pantry: Prep for Profit

9/11	Columbus, OH
9/25	Alexandria, VA

Perfecting Your Culinary Skills

9/10	Atlantic City, NJ
9/26	Austin, TX
10/22	Boise, ID
10/24	Spokane, WA
11/7	Omaha, NE

Simplified Baking Workshop

9/17	San Diego, CA
9/19	Sacramento, CA

Soups and Sauces

10/15	Baltimore, MD
10/16	Williamsburg, VA
10/28	Burlington, VT
10/29	Pittsburgh, PA

Foodservice Management Courses

Banquet Management

9/10	Atlantic City, NJ
9/16	Washington, DC
10/3	Chicago, IL

Computers in Foodservice: A Primer

9/23	Little Rock, AR
10/22	Oklahoma City, OK

Computers in Foodservice: Advanced Technology

9/10	Detroit, MI
10/23	Oklahoma City, OK

Employee Motivation

9/9	Owensboro, KY
9/11	Kansas City, MO
10/8	Salt Lake City, UT
10/27	Wichita, KS

Food Cost Management

9/9	Atlantic City, NJ
9/23	Denver, CO
9/30	Baltimore, MD
10/21	Ottawa, Ontario, Canada

Menu Development

9/17	Atlanta, GA
9/25	Shreveport, LA
10/14	Louisville, KY
10/15	Nashville, TN

Off-Premise Catering

9/4–5	Seattle, WA
9/9–10	Newton, MA
10/22–23	Minneapolis, MN
10/28–29	San Diego, CA

Operational Analysis

9/18–19	Baltimore, MD
10/7–8	Detroit, MI
10/28–29	San Antonio, TX

Planning & Implementing Restaurant Marketing Strategy

9/9–10	Atlantic City, NJ
9/25–26	Milwaukee, WI
10/8–9	Westchester, NY

Real Estate & Restaurant Site Selection

9/16–17	Jacksonville, FL
10/2–3	Washington, DC
10/21–22	Boston, MA

Restaurant Design & Facilities Planning

10/30–31	Cincinnati, OH

National Conferences

National Conference on Marketing, Advertising and Promotions

8/25–28	Chicago, IL

Tenth Annual California Wine Workshop

9/20–25	Napa Valley, CA

National Conference on Catering

11/10–13	Las Vagas, NV

INFO '86: Independent Operators National Conference

2/16–19/86	Orlando, FL

National Conference on Computers

3/16–19/86	Washington, DC

For more information, contact:
NRA Education Programs
800-424-5156 or 202-638-6100

Study Group Meetings

Foodservice Purchasing Managers

9/4–6	New Orleans, LA

MAECO

9/4–6	New Orleans, LA

Internal Audit

9/17–20	New Orleans, LA

Financial Officers

9/18–20	Boca Raton, FL

Tax Executives

9/18–20	Boca Raton, FL

Large Independent Operators

9/26–28	Washington, DC

Market Research

10/2–4	Chicago, IL

Management Information Systems (MIS)

10/13–16	Boston, MA

Quality Assurance

10/16–18	Chicago, IL

Marketing Executives

10/27–30	San Francisco, CA

Market Research

Fall, 1985

For more information on specific study groups, contact Philip Kralovec, 312-853-2525.

NRA NEWS
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Susan Adelman
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Cathy Kenney
Susan E. Mills
Robert A. Palmer
Michelle Rabayda
Claire Regan
Shannon Tuel
Editorial Typists
Valerie Pines
Riley Stern

Editorial offices
and NRA headquarters
311 First Street, N.W.
Washington, DC 20001
(202) 638-6100

Chicago offices
One Park Place, Suite 2000
Chicago, IL 60601
(312) 853-2525

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PRESIDENT'S REPORT

Ted Balestreri
Co-Owner
The Sardine Factory, Inc.
Monterey, California

NRA holds Public Affairs Conference

Long before I became NRA President, I realized that lawmakers and regulators in Washington could make or break my business. They make the decisions that affect every aspect of our operations. But I also realized that we, in turn, can affect these decision makers if we only take the time to communicate our concerns.

Foodservice operators from all over the country will gather in Washington from September 30 through October 2 for NRA's first Washington Public Affairs Conference. They will hear leading commentators and politicians and be briefed on current legislative proposals that will affect their businesses. They will meet with their senators and representatives and explain their priorities and concerns.

As your President and a businessman concerned with the environment in which we operate, I urge you to attend this important event. Shortly, you will receive an announcement concerning the conference in the mail. Return the registration form immediately. Plan to be with us in Washington when we gather to do something about government interference in our businesses.

NRA fights tax caps and elimination of TJTC

One of the many issues to be discussed at the conference will be the administration's tax simplification proposal. NRA continues to oppose any limit on the business marketing meal and to encourage the continuation of the Targeted Jobs Tax Credit (TJTC). On a daily basis, NRA lobbyists have been visiting congressional offices and presenting your point of view on these issues. During the summer, meetings between restaurateurs and their senators and congressmen are being held in their home states. And during the next few weeks, NRA board members will be visiting major media markets to seek editorial support for our position.

We would all like to see our tax code reformed. There is, however, no reason to accept provisions in any tax simplification plan which single out our industry for undue economic burden.

NRA opposes labeling in restaurants

NRA also continues its opposition to petitions calling for labeling on packaged restaurant foods. A Nader splinter group called Center for Science in the Public Interest filed these petitions with the Food and Drug Administration (FDA) and the U.S. Department of Agriculture (USDA). NRA has filed comments with these agencies, explaining the total impracticality of labeling in foodservice outlets. The association has also been responding to the many media inquiries generated by the petitions.

As in the case of sulfiting agents, NRA will fight any attempt to impose mandatory labeling requirements on any sector of the foodservice industry.

New publication covers food additives

The labeling issue suggests that some of our customers as well as the media are concerned about the ingredients of restaurant foods. NRA has produced a new *Current Issues Report* entitled "A Restaurateur's Guide to Consumer Food Safety Concerns." This new publication will help you answer questions about substances commonly added to foods during processing. You will receive this new publication in the mail during this month.

Members register for seminars, conferences

As I travel around the country as your representative, I am always amazed at the number of foodservice operators who tell me they have attended and profited from NRA seminars and conferences. This year the association will offer 250 seminars in 47 different states and Canada. Some will teach basic skills; others will cover sophisticated techniques. Topics will range from kitchen management to perfecting your culinary skills to restaurant design and facilities planning.

You should also plan to attend one or more of the national conferences. You can still register for the Marketing, Advertising and Promotions Conference, August 25 through 28 in Chicago. If you are involved in catering or are contemplating adding this function, the National Conference on Catering, November 10 through 13, should be on your calendar. And every independent operator should plan to attend INFO '86—NRA's second annual conference for independent foodservice operators. The experts are gathering to share their insights into what will happen in our industry tomorrow. You should be there to join in the discussion.

During the last two months, 330 members joined NRA. I welcome you to the most prestigious foodservice trade association in the world. Your participation in NRA will make your business grow and make the association more effective in its endeavors on your behalf. We're glad to have you with us.

Sincerely,

Ted

Ted J. Balestreri
President & Chairman of the Board

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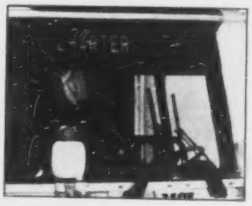
Cover Story



12 The motorcoach tours you see on America's highways and back roads are more than just a way to see the country. They mean business—big business—for towns from coast to coast. And restaurants get the lion's share of the touring dollar—about one-third. If you haven't yet considered the tour bus market as a way to expand your business, think again. As this month's cover story makes clear, all types of restaurants are discovering the possibilities of this untapped market.

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Photograph by Mark Borchelt on location at Mosby's Tavern, Middleburg, VA.
Bus courtesy of East Coast Parlor Car Tours

SHORT ORDERS

October 16: World Food Day

- *Every minute 20 children in the world die of hunger.*
- *In 1982, the world produced 34 million metric tons of food. If this food were distributed equally, it would be almost twice as much needed to feed every man, woman and child on earth.*

These are just two of the facts garnered and distributed by the New Jersey Restaurant Association (NJRA), working in cooperation with the World Food Day Committee. In addition to the questionnaire, NJRA decided to help its members publicize World Food Day— October 16, 1985— by providing free placemats to be used on the day.

"Every observance, small or large, makes an important contribution in heightening public awareness about the issue of hunger and that—for the first time in history—human beings possess the technology and resources to end hunger forever," says the National Committee for World Food Day.

World Food Day activities each year take many shapes. Different communities, different groups within those communities and different countries have their own priorities. But what all participants share is the common goal of hunger elimination and improving the lives of those most in need.

Do your part this year to end hunger on this planet. The national office of the committee can provide resources on food/hunger issues that can be used in your planning and programs. To obtain a copy of these materials, contact the National Committee for World Food Day, 1001 22nd St., N.W., Washington, DC 20437, (202) 653-2404.

Enrollment period for NRA catastrophe major medical plan

A special enrollment period is now in progress for NRA's $1,000,000 Catastrophe Major Medical Insurance Plan. During this time, enrollment is open to all NRA members and spouses regardless of age. Unmarried dependent children from birth to age 25 also qualify. Acceptance is guaranteed. Enrollment closes October 1, 1985.

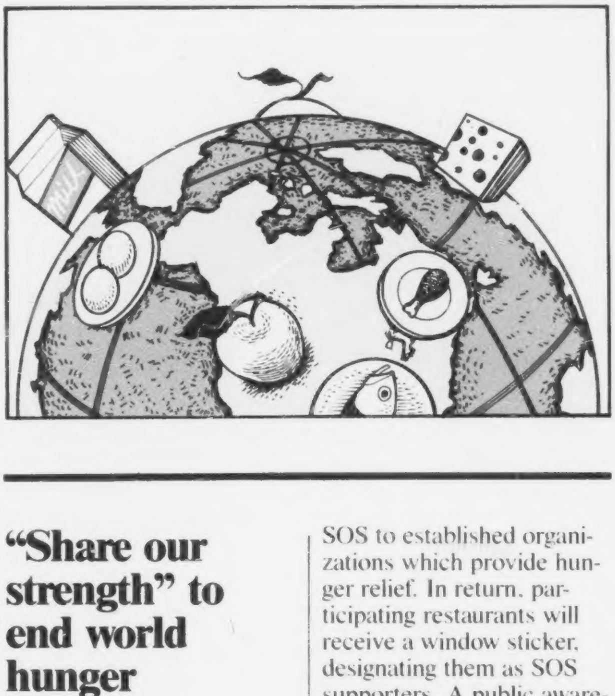
The catastrophe major medical insurance plan provides insurance protection designed to take over after basic health insurance benefits are exhausted. Skyrocketing hospital and nursing home costs, escalating doctors' fees, expensive medicines, specialized surgical procedures and new equipment can push expenses far over the limit that basic health insurance was designed to handle.

Since this plan is supplemental coverage for serious, long-term illnesses and accidents, it includes a $25,000 deductible. All eligible expenses for an illness or accident are applied toward the deductible in full whether paid out-of-pocket or by other insurance. A period of two years is given to reach the deductible amount.

Once the deductible has been reached, the catastrophe major medical plan pays 100 percent of all eligible hospital-medical-surgical-convalescent expenses up to $1,000,000 for up to 10 full years.

Should more than one insured family member be injured in the same accident or contract the same disease within 30 days, only one deductible will apply for those involved. Yet each insured person is eligible for full benefits. This is just one of the outstanding features of this low-cost plan.

All members have been mailed complete information on NRA's $1,000,000 Catastrophe Major Medical Insurance Plan. For additional information, contact NRA's insurance administrator Albert H. Wohlers & Co., NRA Group Insurance Plans, 1500 Higgins Rd., Park Ridge, IL 60068.



"Share our strength" to end world hunger

A Washington, DC-based organization called Share Our Strength (SOS) is asking restaurateurs throughout the country to pledge annual tax-deductible contributions of $500 or more to help famine victims in Ethiopia and other parts of the world. Contributions will be channelled directly through SOS to established organizations which provide hunger relief. In return, participating restaurants will receive a window sticker, designating them as SOS supporters. A public awareness program, featuring politicians, entertainers and sports figures, will promote SOS and participating restaurants.

Currently, 29 restaurants in 11 cities are participating in the program. For more information, contact: SOS, 401 C St., N.E., Washington, DC 20002, (202) 546-5161.

NRA begins training program with DC government

NRA has joined forces with representatives of the District of Columbia (DC) government and foodservice executives to deliver a training program for unemployed Washington area residents. With the funding of the DC Private Industry Council, who contracted with NRA to implement this program, NRA has developed a four-week training program, consisting of two weeks of classroom instruction and two weeks of field training in a full service restaurant in the metropolitan Washington area. The program is designed to give D.C. residents an opportunity to begin a career in foodservice.

Twenty-five participants—all residents of the nation's capital—have been chosen from the rosters of the DC Department of Employment Services. All are seeking full-time employment.

A restaurant industry council has been established, consisting of a dozen Washington area restaurant managers, owners, operators and foodservice educators. This advisory committee has helped select the students for the program and has helped place them in field training. It also will be instrumental in securing permanent full-time positions for all graduates.

NRA staff instructor Mark Snyder is conducting the training and administering the field training and placement phases of the program. Training consists of instruction in the skills needed to perform as a waiter, including elements of proper service, wine service, safety, order taking and suggestive selling. In addition, considerable emphasis is being placed on the importance of proper attitude, courtesy, teamwork, grooming and professionalism. The recruitment process was begun in mid-July, and the training will take place during August.

NRA leads grassroots fight

NRA is enlisting the support of all association members and their employees to fight the inequities in "Treasury II," President Reagan's tax simplification plan. If the proposed cap to business meal tax deductions is included in the final tax bill passed by Congress, it would cost restaurants $11.9 billion over the next three years, and 144,000 foodservice jobs would be lost in the first year alone.

Complete information kits for employers to use to educate their staffs have been mailed to all NRA members. The kits include three payroll stuffers and an 11 by 17 inch poster. Please encourage your employees to write Congress regarding these inequities.

Market researchers, marketing executives discuss industry trends

The future of the foodservice industry was on the mind of two NRA study groups, which met last spring—NRA's Market Research Group, which met in Washington, DC, and NRA's Marketing Executives Group, which met in Chicago, IL.

The market researchers focused on such industry trends as restaurant repositioning, franchising, meal occasion trends, current economic trends, restaurant acquisitions, Canadian eating out habits and menu item testing.

The marketing executives discussed such topics as guerrilla warfare marketing, delivery trends, ways to differentiate a restaurant concept, how to make the best use of outside public relations firms and the major demographic and lifestyle changes that are forecast to occur during the remainder of the decade.

The next meeting of the Marketing Executives Group will be October 27 to 30 in San Francisco, CA. The next meeting of the Market Research Group will be October 2 to 4 in Chicago, IL.

Any interested person from an NRA member company who would like to obtain more information on participating in these groups should contact Philip Kralovec in NRA's Chicago Office, One Park Place, Suite 2000, Chicago, IL 60601 or call (312) 853-2525.

Make Sunday, September 8 a grand day at your operation.

NRA Grandparents Day promotional materials available

Posters: The National Restaurant Association commissioned John Porter, a Washington, DC artist, to illustrate this year's Grandparents Day poster. The striking full-color, 17 by 22 inch poster will remind your customers to celebrate Grandparents Day in your operation.

Poster price: $2.00 NRA members $2.50 non-members

Table Tents: Also created by John Porter, this full-color, freestanding table tent maintains the theme and style of the poster. Space has been provided on one side of the tent for you to announce your Grandparents Day activities and specials.

Table tent price: Order in sets of 15 only—$5.00 NRA members $6.00 non-members

To receive your free Grandparents Day edition of ***PRO-Motion,*** *ask for it when you place your table tent/poster order.*

Phone orders accepted. Call in your table tent/poster order today—800/424-5156 (toll free) or 202/638-6100. They will be sent to you immediately.

For mail orders, please include name, address, method of payment (check, major credit card) and send to Grandparents Day, National Restaurant Association, 311 First St., NW, Washington, DC 20001.

Applicable taxes will be added for Washington, DC and Illinois residents.Postage and handling included in the prices above.

WASHINGTON REPORT

Final floor action pending on farm bill

Over the next few months the House and Senate will try to hammer out a new federal agriculture policy to replace the soon-to-expire 1981 farm bill.

Among the key changes likely to come out of this measure are more incentives for farmers to respond to the marketplace rather than to government subsidy programs and reductions in price support levels to accommodate budget cuts outlined in the FY 1986 budget resolution.

Both the House and Senate had hoped to finish up work on the 1985 farm bill before adjourning for their month-long August recess, but final floor action had not occurred as this ***NRA NEWS*** went to press.

Current laws governing federal agriculture support prices will expire on Sept. 30, which leaves Congress with little time to pass the omnibus legislation.

A chief concern for the lawmakers will be slowing the tremendous rise in farm support costs. Since the nation's farm programs were last reauthorized in 1981, the federal government has spent more than $60 billion on commodity programs. During the same period, farm income declined 27 percent, and exports dropped by $8 billion.

In the dairy area, for example, the House Agriculture Committee agreed in July to a new dairy program that proponents say will save $700 million next year.

The plan would create a new formula for calculating the support price at which the government buys surplus dairy commodities. The formula, which is opposed by the administration, would take into consideration the Consumer Price Index (CPI), prices received by farmers for meat animals, feed costs, interest paid by farmers, taxes and other costs.

The proposal also creates a "stand-by" diversion program designed to curb production by providing incentive payments to producers who agree to reduce milk output. The diversion program could be implemented if the government estimated its level of milk purchases in any one year would exceed five billion pounds. The cost of the program would be borne by the producers.

The House panel's plan would cost an estimated $1 billion next year, $700 million less than if the current program were continued.

The administration favors lower support prices and supported an amendment offered by House Agriculture Committee Member Rep. James Olin (D-VA) that would allow the secretary of agriculture to lower the price supports if he determined government purchases of milk products in any one year would exceed four billion pounds. The amendment was defeated in committee, 25-5.

The House dairy title also includes a provision designed to protect the price of red meat, which could drop sharply if the dairy diversion program succeeded in cutting milk output, leading in turn to an increase in slaughtered cows. The provision would require the secretary of agriculture to purchase 200 million pounds of red meat in each of the next two years.

National small business conference planned for 1986

The White House will once again sponsor a National Conference on Small Business to be held in Washington during August 1986. The conference will enable more than 1,800 small business leaders from all over the country to come together to discuss issues and problems of common concern. The delegates will develop detailed recommendations for executive and legislative action, designed to maintain and encourage the economic viability of small business.

Almost 70 foodservice industry representatives attended the last national conference, held in 1980. At that conference 11 NRA-supported proposals to aid small business were incorporated in the 60 final recommendations, which were sent to the President. More than two-thirds of those proposals have been acted on legislatively or administratively in the last five years.

Two-thirds of the delegates to the national conference will be elected at the 55 state conferences being held throughout the country. To be elected to the national conference, a delegate must have attended his or her state conference.

The state conferences will be one-day events at which small business people will discuss and vote on federal policy issues. Participants in the state conferences must be owners, partners or corporate officers of a business that employs fewer than 500 people. Participants also must attend the conference in the state in which they reside.

Approximately one-third of the delegates to the national conference will be appointed. Each senator, representative, governor and territorial executive will appoint one delegate and one alternate. The President will appoint 100 delegates and 100 alternates.

NRA strongly encourages its members to register for their state conferences. Participants in the state conferences must pay a $35 registration fee and are responsible for their own hotel, extra meals and transportation costs. To receive more information about your state conference and registration materials, write to: The White House Conference on Small Business, 1801 K Street, N.W., Suite 1101, Washington, DC, 20006.

NRA asks agencies to reject fast food labeling

The Food and Drug Administration (FDA) and the U.S. Department of Agriculture (USDA) are now considering a petition to require fast food restaurants to label their products.

In comments filed with USDA and FDA last month, NRA asked the agencies to reject the petition, stating that labeling in fast food establishments is unnecessary and impractical and would raise consumer anxiety over perfectly safe products.

The petition was submitted to the agencies on June 24 by a group of consumer organizations, including the Center for Science in the Public Interest (CSPI), the New York State Consumer Protection Board and the Food Allergy Committee of the American College of Allergists. The agencies have 180 days from the date the petition was filed to respond.

The petitioners contend that ingredient labeling is warranted because several fast food ingredients can trigger allergic reactions, including yellow food dye No. 5, corn sugar and milk solids—ingredients used in milk shakes, french fries and toppings. According to CSPI, fast food companies refuse to disclose the ingredients in their products. They conclude that, without labeling, the ingredients of fast foods remain a mystery to health-conscious consumers.

These arguments run counter to an exhaustive study completed by the FDA, USDA and Federal Trade Commission (FTC) in 1979. The study concluded that it would not be feasible to enforce labeling containers in restaurants; that labeling would increase costs for restaurateurs, which in turn would be passed on to customers; that the increased customer costs would outweigh the potential benefits of labeling and that state and local governments, not the federal government, have primary authority over restaurants.

NRA told FDA and USDA that labeling containers in fast food restaurants would be absolutely unworkable because many are used for more than one purpose. For example, a single type of paper cup may be used to serve various soft drinks and milk shakes, while generic wrappers may be used for a variety of sandwiches and hamburgers. The petition would require operators to use a different kind of cup for each beverage served or a different wrapper for each kind of sandwich served, since each product would be required to have its own ingredients label.

NRA also said that most Americans are not allergic to fast food ingredients and so the cost of mandatory labeling could not be justified. NRA added that the complexity of menu items and the fact that ingredients often change from day to day would make labeling unworkable in the foodservice setting.

NRA supports Simpson immigration reform bill

NRA has joined other business groups in supporting an immigration reform bill introduced by Sen. Alan Simpson (R-WY), the chief architect of Senate immigration reform efforts in the past two Congresses.

In testimony given earlier this summer before the Senate Judiciary Subcommittee on Immigration, NRA Director Ralph Evans said the senator's new bill, S. 1200, was not perfect but was "a tough, fair, political initiative, which deserves high commendation." Evans testified on behalf of the U.S. Chamber of Commerce and also spoke for NRA.

Last year's immigration bill, sponsored by Simpson and U.S. Rep. Romano Mazzoli (D-KY), was nearly enacted after differing versions of it were passed by the House and Senate. However, the legislation died at the end of the session when a conference committee failed to resolve the differences.

The new Simpson bill includes employer sanctions—penalties against employers who "knowingly" hire, recruit or refer illegal aliens for employment—but it does make concessions to business groups. This makes it less onerous to employers.

Burdensome recordkeeping and verification requirements are not included in the new bill, a major reason why NRA and the Chamber of Commerce do not oppose it. The bill passed by the Senate in the last Congress would have required employers to keep records showing they had checked employee identification cards to verify a job applicant's eligibility for work.

Under the new bill, recordkeeping would be optional and would give those employers who opted for it an affirmative defense against charges of knowingly hiring illegal aliens.

NRA to hold first public affairs conference

NRA will hold its first Washington Public Affairs Conference this fall, Sept. 30 to Oct. 2, at the J.W. Marriott Hotel in Washington, DC.

Conference activities will include presentations from national leaders, panel discussions on legislative/regulatory policy, a congressional reception and the opportunity to lobby Congress on restaurant issues.

House Majority Leader Jim Wright (D-TX), Minority Whip Trent Lott (R-MS), Deputy Assistant to the President Linda Chavez and ABC White House Correspondent Sam Donaldson are just some of the speakers who will be featured.

The conference is designed to provide foodservice operators with an understanding of how government affects their business, to inform members of Congress and key government officials about foodservice issues and to provide an opportunity for restaurateurs to meet national lawmakers face to face.

Information concerning registration and hotel accommodations will be mailed to NRA members. For additional information, contact the NRA government relations department, (800) 424-5156.

Interview

Agriculture Secretary Block discusses farm bill

Recently **NRA NEWS** *talked to Agriculture Secretary John R. Block about pending farm legislation. Block has served in President Reagan's Cabinet since 1981. A farmer himself, Block served as Director of Agriculture for Illinois prior to being named Agriculture Secretary.*

***NRA NEWS:* When the administration's farm bill was unveiled earlier this year, its "market-oriented" approach was considered too radical by many. Why all the changes from the 1981 farm bill?**

BLOCK: The 1981 bill was out of step with the times. It had entirely too much government regimentation in it, and it wasn't flexible enough to deal with deflationary times and surpluses. We wanted something flexible, something that would endure, something that would let the market system work. We felt our bill would do that.

Q: How is the administration's bill faring in Congress? Earlier this year many in Congress termed it "dead on arrival."

A: I believe the philosophical battle has been won by the administration. The market-oriented position—that we need to price products in a way that makes us competitive in international trade—is broadly accepted now in both the House and Senate.

Another very critical issue is the cost of our farm programs, and there I'd have to say Congress is willing to spend more money than we had suggested. Still, there is an expectation that support levels will be phased out and government involvement in agriculuture will be reduced.

Q: How will this philosophical victory be translated into actual program changes? Will we see reductions in price supports?

A: Yes, we will. Commodity prices will drop dramatically. This will occur as a result of lower support prices, which in turn will put the market system in operation and make us more competitive. Farmers will still be eligible for income maintenance programs to ease the pain from such an abrupt reduction, but these income transfer payments will be phased down over a period of years.

Agriculture Secretary John R. Block

Q: If commodity prices come down dramatically, won't that have an adverse effect on those farmers who are already feeling the pinch of falling agriculuture prices?

A: I don't think it will be a devastating problem. There will still be income transfer payments. Because of the severe stress in the farm economy, that's one point that is being insisted upon. Farmers still get their deficiency payments.

Q: Last winter we heard a lot about the "farm crisis"—falling land prices, falling farm income and bankruptcies. Are those problems still with us?

A: There have been a lot of adjustments in the agricultural sector—farmers have sold property and changed their operations, and many farmers and their wives have found part-time jobs. Interest rates have started to come down for some, but these problems aren't behind us yet. The problems this coming year could be just as severe as they were last year, if not worse.

Q: What will the new farm bill's effect be on wholesale and retail prices?

A: Wholesale prices initially will be somewhat lower because grain will be somewhat lower-priced. That will have a moderating influence on the price of livestock.

However, in three to four years prices will generally be higher because the government won't be providing quite as much subsidy. Farmers, of necessity, will then be getting their income out of the marketplace and not from the government. When that happens, it means the prices of commodities—and consumer prices—will be modestly higher.

Q: Our members have a keen interest in the dairy provision of the farm bill. The House appears to favor a dairy diversion program that would assess farmers if they produce more than their allotted quotas. What is the administration's position?

A: We are adamantly opposed to dairy diversion-type programs and programs that would build some kind of quotas into the dairy industry. Our approach is to systematically lower the price support until supply and demand come into line.

Although Congress doesn't seem to favor this approach, we haven't given up.

Q: Do you think diversion will be part of the final bill?

A: No, I don't think the Senate will go for diversion. We're going to insist that the final bill that goes to the President not have a diversion plan in it.

Q: A requirement that imported meat be labeled, including in restaurants, has surfaced again during the debate on farm legislation. What are its prospects? The administration has not supported it.

A: We live in a global world, and this kind of thing just invites retaliation by other countries. You have to remember, we export more than we import.

—Jay Morris and Dennis Clark

Editor's note: *See related story elsewhere in this department.*

THE BOARD ROOM

Balestreri testifies before the House Ways and Means Committee

NRA President Ted Balestreri let Congress know where NRA stands on the controversial issue of capping the deduction for the business marketing meal when he testified before the House Ways and Means Committee.

Balestreri said NRA opposes any restrictions on the business meal deduction, which under the President's tax reform plan would be held to $25 per meal, with a 50 percent deduction allowed for amounts that exceed the cap. Balestreri said the business meal is a legitimate marketing expense and that it would be unfair to single it out for arbitrary restrictions.

The cap would have a devastating effect on the restaurant industry, Balestreri told the tax-writing committee. According to a Chase Econometrics study conducted for NRA, 144,000 foodservice jobs and $3.5 billion in restaurant sales would be lost in the first year of the proposal's enactment. Balestreri also noted that there would be a $6 billion loss in state, local and federal tax revenue over three years due to decreasing personal income tax receipts and increasing welfare payments.

Balestreri reminded the committee that the foodservice industry employs more teens, women and minorities than any other industry. He suggested that "these are members of our society least able to withstand economic dislocation" which would result from capping the business meal.

NRA President Ted J. Balestreri testifies before the House Ways and Means Committee against capping business marketing meal deductions.

In protesting the unfairness of the President's plan, the NRA president noted that other business marketing expenses, such as newspaper and television ads, are not subject to any constraints.

Joining Balestreri in testifying before the Ways and Means Committee were representatives from the American Hotel and Motel Association, the International Foodservice Distributors Association and the National Club Association. Also testifying in opposition to the business meal cap were members of the House Travel and Tourism Caucus.

NRA has also been working with the state restaurant associations to arrange meetings with Ways and Means Committee members and restaurateurs in their districts to discuss the proposed cap.

Meetings with House Ways and Means Committee Chairman Dan Rostenkowski (D-IL), Ranking Minority Member John Duncan (R-TN) and committee members Andrew Jacobs (D-IN), Charles Rangel (D-NY), Jim Jones (D-OK) and Don Pease (D-OH) were held over the 4th of July congressional recess. More meetings are planned for the August congressional recess.

—Jay Morris

Balestreri speaks out on fast food labeling in *USA TODAY*

NRA President Ted J. Balestreri (Sardine Factory, Monterey, CA) expressed his views on the mandatory labeling of packaged fast food on the June 28, 1985 op-ed page of *USA Today*.

"Too often," Balestreri said, "reading a product label is like taking a crash course in chemistry without benefit of the teacher. Labeling a menu item with a lot of technical terms that may be, and probably are, unfamiliar to the consumer, creates confusion and raises the specter of fear without any reason for it."

Balestreri called the foods consumed in today's restaurants "healthful," and already subject to inspection requirements by federal and state regulatory agencies. He reminded readers that the Food and Drug Administration (FDA), the United States Department of Agriculture (USDA) and the Federal Trade Commission (FTC) decided not to extend content labeling of packaged foods to restaurants in 1979 on the ground that such a system was unworkable in the restaurant industry where menu items and ingredients vary daily.

As a case in point, he focused on the multi-purpose container in frequent use in the fast food industry. "If mandatory labeling on packaged fast food items were instituted, one type of container could only be used for one type of menu item," he said. "In addition to presenting operational difficulties, this would severely impair the economies of scale for fast food owners, which would result in higher prices to consumers."

Despite his opposition to labeling, Balestreri said that all consumers, especially the allergy-sensitive or those on restricted diets for health reasons, have a right to know the ingredients in a menu item they are about to purchase. The National Restaurant Association recommends that patrons with health-oriented concerns contact the headquarters of fast food companies for ingredient information.

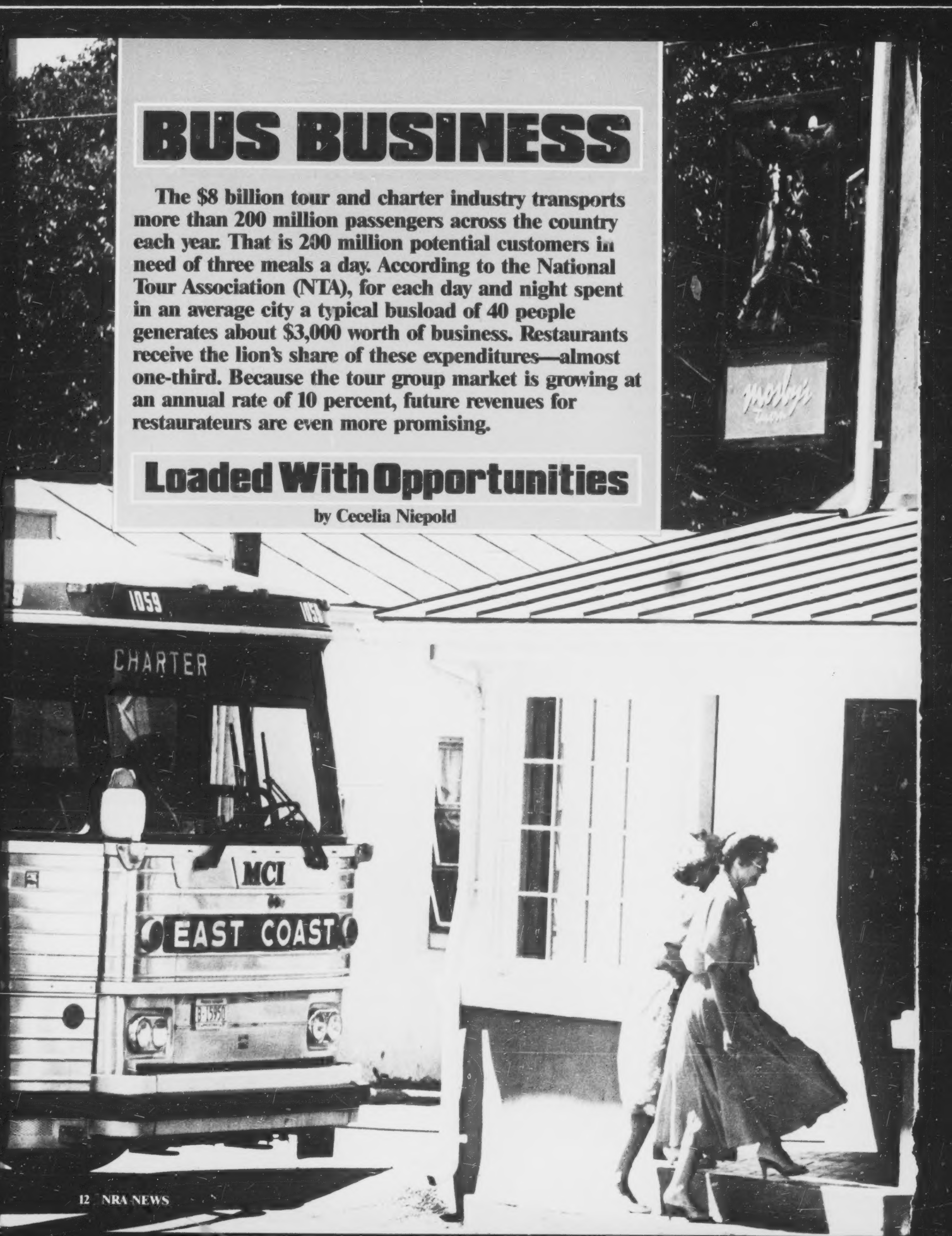
—Dorothy Dee

BUS BUSINESS

The $8 billion tour and charter industry transports more than 200 million passengers across the country each year. That is 200 million potential customers in need of three meals a day. According to the National Tour Association (NTA), for each day and night spent in an average city a typical busload of 40 people generates about $3,000 worth of business. Restaurants receive the lion's share of these expenditures—almost one-third. Because the tour group market is growing at an annual rate of 10 percent, future revenues for restaurateurs are even more promising.

Loaded With Opportunities

by Cecelia Niepold



"The group business has really saved my life. I needed the extra business at night," vouches Mack Meiner, owner of Cafe Society, a 200-seat art deco cafe in Orlando, FL. Although the restaurant did a bustling lunch trade, few local customers came downtown at night. Business looked pretty grim until a tour operator asked Meiner if he would seat a motorcoach group for dinner. The visit went well and opened a whole new market for the restaurant. Up to six groups now visit nightly, filling the previously empty seats.

Restaurateurs sometimes overlook the group market, assuming that tour operators only patronize certain types of eating establishments. In fact, opportunities abound for all kinds of restaurants. Tour operators, like most consumers, search out different types of restaurants for different itineraries and price ranges. For instance, tour coordinators may choose a charming New England inn during a fall foliage tour, a cafe with entertainment for a lively evening or a roadside cafeteria for a quick lunch break.

Who's in the group tour business? . . .

The variety of restaurants doing business with group tours is diverse. That in itself underscores the potential of the market. Here is a sampling of some of the many different types of establishments:

- *The Brookville Hotel* (Brookville, KS), a 115-year-old, 200-seat restaurant that serves family-style fried chicken dinners in a town of only 250 residents.
- *Windows on the World* (New York City, NY), a diverse, sophisticated operation with 2,000 seats, located on the top of the World Trade Center.
- *S & W Cafeteria* (Alexandria, VA), a 448-seat cafeteria that depends on tour group business for 20 percent of its sales.
- *The Pink House* (Savannah, GA), a small, seven-room mansion with only 86 seats that serves a taste of the Old South in elegant surroundings.
- *Shoney's* (Nashville, TN), a 433-unit, family-style restaurant chain, located throughout the U.S.
- *Plain and Fancy Farm* (Bird-in-Hand, PA), a Pennsylvania Dutch restaurant that serves 48 percent of its family-style meals to group customers.

Benefits of the tour group market . . .

The benefits of the tour group business are as varied as the types of restaurants serving this market:

Increased traffic: A top advantage cited by restaurateurs is that the motorcoach trade helps bring in customers. It can help fill a Southern-style restaurant in a small Kentucky town or boost sales in a metropolitan restaurant during slow seasons. Wherever they go, tour groups increase table turns since the groups are generally in and out quickly to meet their itineraries. Moreover, they help keep chairs full. "Motorcoach groups give me maximum utility from my tables. Instead of placing parties of two at a table for four, we use every available chair for groups and often end up with seven at our sixes," maintains Don Keller, director of sales and marketing for the 1,200-seat Frankenmuth Bavarian Inn (Frankenmuth, MI).

> **"I like to think we end up with 50,000 'walking-talking' billboards throughout the U.S. and Canada each year via satisfied motorcoach groups, at virtually no cost to us."**

Improved planning: Service and food costs also can be planned more effectively because operators usually know in advance—often several months before—how many people are arriving at a specific time. "I don't have 10 waiters or waitresses standing around wondering how busy we're going to be," says Mack Meiner.

Filling slow periods: Motorcoach groups often even out the daily ebb and flow of customer traffic. Tour operators will frequently agree to come in during "off periods" between 4:00 p.m. and 6:00 p.m. and before and after the lunch rush. Often they prefer these periods because they are able to get faster service.

Adding meal periods: Sometimes tour groups can inspire an operator to add a meal period. Although the Brookville Hotel used to serve only dinner, owner Mark Martin found it profitable to open his doors to tour groups for lunch. Similarly, Morrison's, a 148-unit cafeteria chain based in Mobile, AL, is considering opening for breakfast for groups of 40 or more.

Less crowded parking: Outside facilities can be maximized with tour group business since one motorcoach with 40 diners takes up between four and five parking spaces while 40 "off-the-street" customers generally arrive in 12 to 15 cars.

Word-of-mouth advertising: Motorcoach customers also can provide word-of-mouth advertising. As Don Keller explains, "I like to think that we end up with 50,000 'walking-talking' billboards throughout the U.S. and Canada each year via satisfied motorcoach groups at virtually no cost to us."

Operational factors to consider . . .

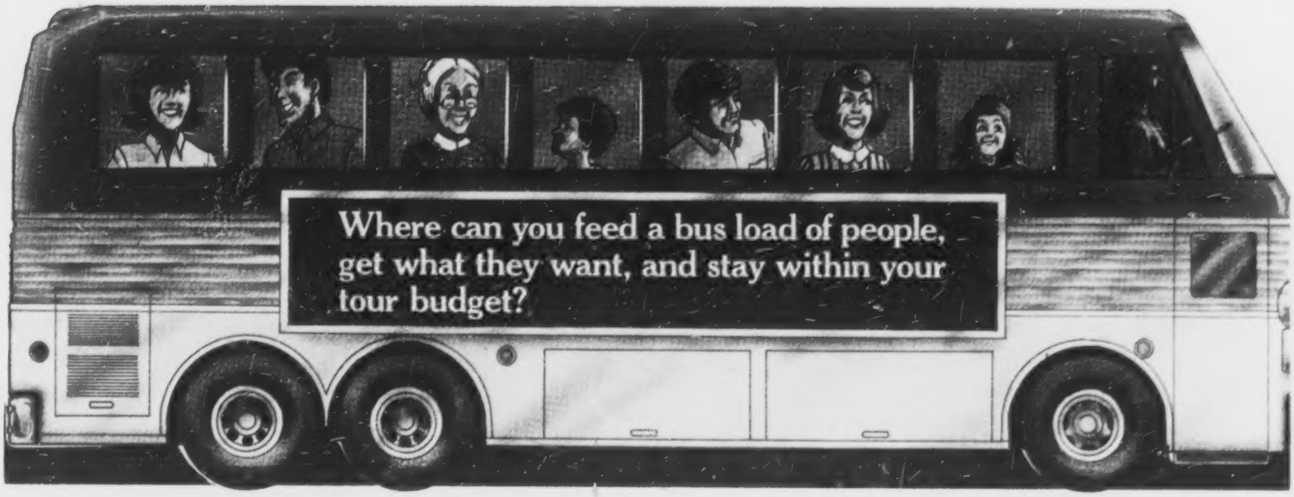
Although the advantages are many, restaurateurs should develop definite policies and programs to successfully reap the benefits of the motorcoach trade. Here are some of the major factors to consider when putting together a group tour program.

Menu development. Carefully think through your operation's capabilities when developing a group menu program. What sort of program will be most adaptable to your kitchen and still provide efficient service?

Restaurateurs have developed menu options that range from extensive group packages to no set menu at all. For instance, Hogate's (a 500-seat restaurant in Washington, DC) has developed five different group menus in a wide price range. Tour operators choose two entrees out of five or six choices from one menu and then let customers pick between the two. To prepare adequately for the groups, Hogate's requires a food count 48 hours prior to arrival.

At the other end of the spectrum, the Bethel Inn (Bethel, ME) does not have a set group menu. The 230-seat quaint New England inn gives tour members full choice of the menu. "Initially we did have a pre-set menu but found it was not to people's liking," says Gretchen Davidson, assistant manager. So far the policy hasn't caused any problems in the kitchen or backups in the dining room. Tour members are consistently in and out within an hour and a half. "The menu

> **"The menu is prepared by the chef to work well in the kitchen, and we add staff in both the kitchen and the dining room when groups come in."**


Where can you feed a bus load of people, get what they want, and stay within your tour budget?

is prepared by the chef to work well in the kitchen, and we add staff in both the kitchen and the dining room when groups come in," explains Davidson.

A common alternative is for restaurateurs to encourage tour operators to make one choice for the whole group. This helps the kitchen prepare for the group in advance. If a group member doesn't like the chosen entree, however, an alternative should be quickly provided. For example, during one recent tour a restaurateur exchanged a top sirloin for prime ribs because the customer wasn't satisfied. "That's over and above what's necessary, but you better believe that's where I'll go when I go back to that city," maintains Jim Davis, president of Jim Davis Tours (Ft. Lauderdale, FL).

Pricing policies. Most tour operators like to know in advance how much meals will cost so they can build these costs into their overall package price. Generally that price should include tax and gratuity and should be priced lower than off-the-street business. Many restaurateurs also offer complimentary meals to drivers and tour escorts as a marketing incentive when developing a group rate. Be sure to carefully consider your costs. Don't underprice your services. As H. L. Crisp, manager of the S & W Cafeteria advises, "You have to give them a ~~price~~ that's attractive to them, but it's got to be a price you can live with."

Some operators set an average price no matter what the customer orders from the regular menu. Others develop price packages, which can tie in with different price tours. Windows on the World is an example of the latter alternative. The package choices range from "Tea and Pastry" (a snack and a trip to the top of the World Trade Center) for economy-minded tours and school groups to a deluxe dinner featuring seven courses de-

For more information

If you would like more information about the group tour market, here are two associations that can help. Both organizations offer valuable marketing aids as well as opportunities to make contact with tour operators.

The National Tour Association (NTA) has close to 3,000 members involved in the tour and charter industry. Around 600 members are tour operators. The remainder are suppliers, such as restaurants, hotels, airlines and bus companies. Each year the association organizes the Tour and Travel Exchange, where members from all sectors of the industry meet to exchange information and set up itineraries. This year's exchange will be held during the annual convention available to association members in November in Reno, NV.

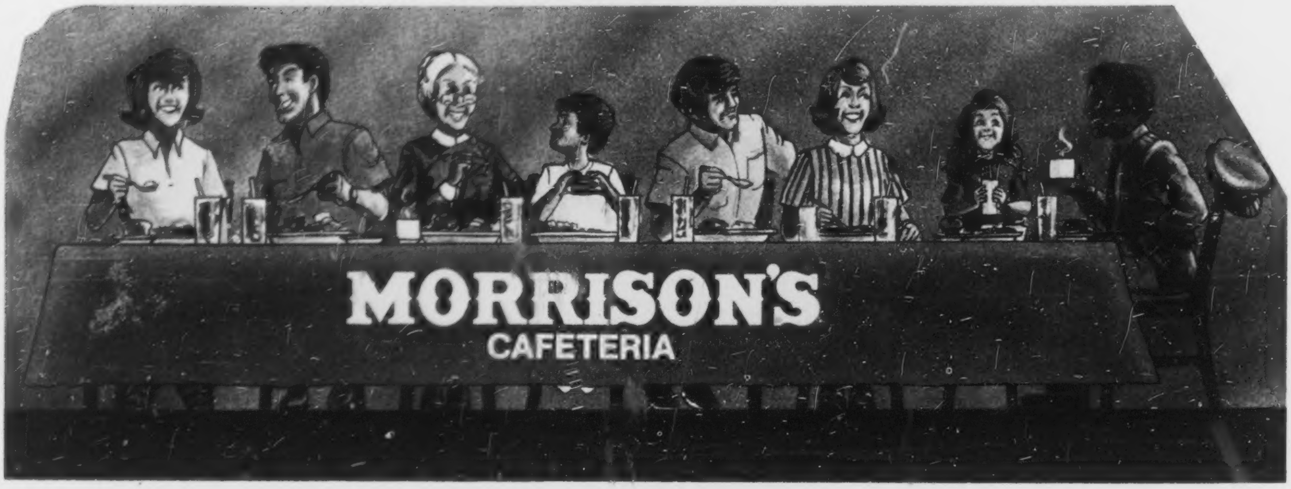
Other helpful marketing tools include a comprehensive marketing manual as well as tour operator and tour supplier directories.

The American Bus Association (ABA) has 3,500 members, 800 of which are bus companies that put together tours. The association also hosts an annual exchange meeting, the Marketplace, that pairs suppliers (like restaurants) with bus companies to arrange tour packages. This year's meeting will be held in Kansas City in December. The association also works closely with state bus associations and can help restaurateurs make contacts in different areas of the country.

For further information contact:

- National Tour Association, 120 Kentucky Avenue, Lexington, KY 40502; (606) 253-1036.
- American Bus Association, 1025 Connecticut Avenue, N.W., Washington, DC 20036; (202) 293-5890.

> **"Motorcoach groups give me maximum utility from my tables. Instead of placing parties of two at a table for four, we use every available chair for groups and often end up with seven at our sixes."**



signed around five different wines.

It's a good idea to develop a pricing policy for last-minute cancellations. Some operators require non-refundable deposits of a set amount. Others bill tour operators a percentage (or even the full amount) of the total cost of a package if a group doesn't show up. Once you develop a policy, make sure tour operators realize how far ahead of time they have to cancel to avoid penalty charges.

Service and employee relations. Tour operators look for top-notch service. "One of the things we ask is if a restaurant is willing to put on extra help to get our group through in the shortest possible time," maintains Patrick Marks, vice president of Nationwide Travelers Club (Appleton, WI).

Operators not only look for efficiency, they also look for friendly service. That is why the initial greeting is very important. "Sometimes we walk in and the reaction is 'Oh, no, the tour group is here,' " observes Jim Davis. Obviously, that kind of attitude doesn't make a good impression and can shut the door on your tour group business. Often the problem is that employees are not aware that their tips are included in the tour package price. When restaurateurs let their employees know that they will receive their fair share of the bill, employee attitudes improve considerably.

Good communication with tour escorts can also help tighten up your service. Encourage tour operators to let you know ahead of time if there are any passengers with special dietary needs or mobility restrictions. This will help with food preparation as well as seating arrangements.

And never discuss business matters in front of the group. This could embarrass the operator and turn business away from your restaurant.

Juggling regular customers and group visitors. Unfortunately, local customers may be intimidated by the sight of a bus in your parking lot because they assume they will have to wait a long time for service.

The best answer is to carefully schedule motorcoach groups so neither they nor your local customers will get caught in a service bottleneck. Some solutions include

- opening an hour earlier,
- spacing reservations from local customers or
- blocking off a special section of the dining room for the tour groups during the day when group traffic is heaviest.

One thing to avoid is to automatically seat tour groups in a secluded banquet room. Tour members enjoy sitting in main dining areas. "It's nice to mix in with the regular customers. Local color is always fun, and people enjoy learning about the area," says Pete Anderson, director of trade relations for Maupintours, Inc. (Lawrence, KS).

Good communication between tour operators and restaurateurs is essential to make schedules work. Develop a definite reservation confirmation policy. Make sure tour operators know how important timing is to you and encourage them to call if they're going to be late. At Hogate's, during the prime tourist season, management warns tour operators they may not be seated if they are more than 15 minutes late and have not called.

Attracting the business . . .

Once you know you can handle motorcoach tours, you have to convince tour operators to visit your establishment. That means developing a specialized marketing plan that balances some basic requirements with your own unique characteristics. To attract business, every operator should:

Find out as much as possible about the tour group market. Look at customer profiles. According to the National Tour Association, average tour members are well-educated senior citizens in the middle to upper-middle income range, living in metropolitan areas. But not all tour passengers are over 50. Be sure to check with each individual operator for a specific tour profile. For instance, Mark Fischer, assistant to the president of East Coast Parlor Car Tours, books tours for church groups and youth organizations as well as senior citizens.

Next, think about the kinds of things tour operators look for and how your restaurant can fill those needs. As Julia Ford, promotions manager for the retail division at Morrison's, explains, "You have to help tour operators understand how coming to your restaurant will help their business." To review, some top priorities for tour operators are

- *Convenient locations* with "easy in, easy out" access.
- *Efficient, fast and friendly service* (many operators look for restaurants that can serve an entire group in 60 to 90 minutes).
- *A pre-set price* that includes tax and tip.
- *Menu flexibility*, including a variety of entrees and substitutions if required.

Consider your operation's strong points and focus on them. If you are located near a highway, play up that fact. If you specialize in fast service, let tour operators know just how quickly you can get customers in and out.

Create an image. To make tours memorable, tour operators often go out of their way to visit a restaurant that has a unique atmosphere, is historically significant, is representative of a particular area or offers entertainment as part of the meal package.

For instance, tour operators enjoy taking groups to the Brookville Hotel because it gives passengers a taste of the Old West. Visitors can wander through the hotel rooms, which are still filled with period furniture, and can marvel at Buffalo Bill's signature in the guest book. Le Festin du Gouverneur (Montreal, Quebec, Canada) is also an adventure into history. Located in an old fort, the restaurant treats diners to a realistic re-enactment of a 17th century banquet as well as a four-course authentic Canadian meal.

On the other hand, the Bethel Inn is a popular stop during fall foliage tours. Located at the base of the White Mountains, the inn is a perfect example of a traditional New England country inn. And The Plain and Fancy Farm offers visitors a taste of local Pennsylvania Dutch customs along with a hearty meal. Customers can take buggy rides, visit an original Amish house or browse through a doll museum.

Entertainment doesn't have to be elaborate, however, to appeal to groups. At Mack Meiner's Cafe Society a piano player entertains nightly and sing-alongs are encouraged. "The people love it," he observes.

Develop the little extras. Creating signature items or "extras" also will make your restaurant more appealing to tour operators.

For instance, Steve Hayden markets The Old Stable as "Your Kentucky Connection." He arranges additional excursions for tour operators throughout the area, taking care of such details as room reservations, guide services and sightseeing. Hayden benefits because groups end up visiting The Old Stable for more than one meal. "We have groups that spend up to five meals with us," he says proudly. To encourage the multiple meal business, he also provides a variety of programs, such as hayrides, fish fries and picnics.

H. L. Crisp at the S & W Cafeteria provides another kind of service for tour operators. Operators don't always have enough time to stop at a restaurant between sights during the day. Crisp offers a solution for this situation by providing box lunches to tour groups. This often benefits his business in more ways than one since groups generally arrange to stop by for breakfast and pick up the boxes. Developing a box lunch program is an efficient marketing strategy since it requires no additional overhead, doesn't disrupt regular customer traffic and is definitely a popular feature with tour operators.

Create your own tour

Don't just be a stop along the way. Make your restaurant part of an actual tour. Tour groups sometimes offer tours that specifically highlight restaurants. Create your own tour. Band together with other restaurants in your area and market yourselves as a destination.

Promote a special form of cooking or market an unusual historic atmosphere or locale. For instance, Maupintours once put together a "Gourmet Italy" tour. Tour members visited a number of different Italian restaurants and went behind the scenes to watch the chefs at work.

The Society for Commercial Archeology, on the other hand, arranged a tour of historical diners in the Boston area where passengers could learn about the architectural features of a bygone era while enjoying the characteristically filling food.

Sometimes it's just a small touch that makes a restaurant special. For instance, the Bethel Inn offers every group member a Macintosh apple, a guide to the area and a selection of favorite recipes so they'll remember the inn. Mack Meiner personally gives every female guest a red rose before she departs. It's a personal touch that customers do not forget.

Developing the tools . . .

Once you've carefully researched the market and have decided how you want to highlight your restaurant, you have to market your operation.

First of all, decide whom you want to contact. Tour companies, travel agents, church groups, local civic groups, retirement associations and youth groups are just a few to consider. Remember, sometimes groups finalize tours a year ahead of time.

Associations that specialize in group travel can be another helpful source of contacts. (See accompanying box.) Many states have bus associations that also can provide valuable information. For instance, if you know a lot of your visitors come from Pennsylvania, contact the Pennsylvania Bus Association. Also be in touch with your chamber of commerce to find out when industry trade shows occur in your area. Consider other materials that operators might read. H. L. Crisp, for example, says much of his business comes from his cafeteria's description in *The Mobile Travel Guide*.

When preparing promotional materials—whether brochures, newspaper ads or direct mail—be sure to include: a map with directions to your restaurant, a sample group menu, group prices, a thorough description of reservation and cancellation policies and a reply card to encourge requests for further information.

In sum . . .

The group tour trade offers a great deal of potential for all kinds of restaurants. ❑

CUSTOMER SAFETY

PROTECTING YOUR MOST IMPORTANT ASSET

by Kathy Boyle

- ***One of your customers is choking on a piece of food.***
- ***A bomb threat comes over the telephone.***
- ***There is a fire in the kitchen.***

In the face of these and many other emergencies, is your operation ready to safeguard customers?

In the relaxed away-from-it-all atmosphere of a restaurant, customers rarely worry about their safety. But the potential for fire, slips, falls and choking on food are real safety hazards a restaurant operator must look out for each day. A good safety program starts during the construction phases with good safety design and proper installation of detectors. It does not end there, however. A thorough safety program should include safety rules and practices, employee training, safety inspections of facilities and equipment and, most importantly, corrective action when safety hazards are spotted.

Fire safety . . .

No other restaurant hazard is as great a threat to a customer's life as a fire. The loss of almost 500 lives in the Coconut Grove Nite Club fire in Boston in 1942 was shocking evidence of that danger. Since that time, attention has been focused on the need for adequate restaurant exits, fire prevention equipment and techniques and a well-thought out evacuation plan, which is rehearsed often.

Restaurateurs are usually well aware of fire prevention in the construction stages of business because they must comply with local fire codes when installing detectors, sprinklers or certain classes of extinguishers.

But once the restaurant is open, they often ignore out-of-the-way areas. Rooms where burners or hot water heaters are located may become the storeplace for order forms, receipts and soiled linens and aprons. Stored next to a furnace or water heater, sooner or later, these items become a fire hazard. Good housekeeping in these less obvious areas can prevent a costly fire, especially since more than half the reported restaurant fires start when the operation is closed.

Employee training is another critical step to making a restaurant safe, especially fire safe. Training teaches managers and their staffs to recognize hazards they may otherwise ignore, such as a stack of cardboard boxes sitting in a hallway. According to William English, director of loss control for the Marriott Corporation's restaurants (Washington, DC), "Training is the best accident preventative. No one knows why for sure, but the more people are trained, the less accidents they have."

Most restaurants cover some form of fire prevention training on the job, either by providing a training manual or by making audiovisual presentations. Ken Albrecht, director of risk management for Pizza Hut (Wichita, KS) explains that his company's audiovisual fire prevention training "not only specifically identifies what kind of equipment to use and when but also trains when to get out."

Randy Walter, director of safety and security for S & A Restaurant Corporation (Dallas, TX) has had great success building employee interest in fire prevention by inviting the local fire department to make a presentation in the restaurant and, in some cases, providing actual hands-on fire extinguishing training. Although most fire departments are more than willing to speak before any group at no charge, operators usually have to provide the extinguishers for employees to use during training. "We try to schedule these training sessions on a day when our extinguishers are ready to be recharged," says Walter. "In this way, we cut down on the expense of training since we would have to recharge the extinguishers anyway."

No other restaurant hazard is as great a threat to a customer's life as a fire.

Marriott's William English doesn't believe training should include fire extinguishing because "after years of experience, I believe that it takes a certain kind of person to function effectively in the face of an actual fire. It takes a lot of practice, and I'm not sure with the turnover in the restaurant industry anybody can afford to have trained people capable of putting out a fire. Effective training requires actual fire extinguishing."

Slips and falls . . .

Although a fire may pose the most life threatening danger to customers, slips and falls are the most common hazards within the restaurant. Customers, unfamiliar with the restaurant layout, can easily slip and fall. Employee knowledge of safety can really pay off in eliminating easy to spot hazards, such as spilled salad dressing, a slippery lobby floor just after a rainstorm or a torn carpet. Safety-alert employees create an atmosphere of safety because they don't want to get hurt either.

Good supervision is an essential part of safety training. Is the manager right behind the employee to make sure that spills are cleaned up quickly? Is there adequate staffing, especially during busy times? If employees are rushed, they will cut corners or ignore dangers which could lead to an accident.

A restaurant's interior design can also create hazards. If safety experts had their way, all restaurants would be located on one floor with absolutely no steps. Obviously, not all restaurant concepts easily lend themselves to a one-level design. A good first step in checking for slip and fall design hazards is to critically look at the various up-and-down levels of your restaurant. Are customers always falling on the same two steps which go up to a cozy alcove? If so, can a [illegible] added? Is there ade[illegible]lighting? A warning sign? Do employees alert customers to the impending steps?

A more difficult design hazard is the restaurant's less noticeable up-and-down levels, such as the demarcation between a carpet and tiles or wood floors. "Even that half-inch difference between the carpet and tile can create problems for customers," says Dee Clingman, vice president of quality control for Red Lobster (Orlando, FL). "Sometimes we can eliminate the hazard by carpeting the lobby as well. Other times, the solution is not that easy. We may have to increase lighting in these areas or paint the strip between the carpet and tile a bright, contrasting color."

Proper recordkeeping of customer falls can alleviate many problems at a later date. Clingman recommends recording the events surrounding an accident immediately. Interview witnesses. Ask, "Who was hurt? What happened? What do the witnesses remember about the person who fell? Was he/she inebriated? Were the shoes rubber-soled, or did they have spiked heels or cleats?" Get this information down in writing immediately before employees forget or witnesses are gone. Most importantly, eliminate the hazard, if there was one, so someone else doesn't get hurt.

Employee safety committees . . .

If given the opportunity, employees gladly participate in a restaurant's safety program. At units of the S & A Restaurant Corporation, employee safety committees are the norm. Committee members represent all parts of the operation—kitchen, serving staff, cashiers and maintenance. They meet once a month on company time to do a full safety check of the unit. They begin the check in the parking lot, enter the front door, scrutinize every room in the building and go out the back, thus checking the whole system. Hazards are prioritized by A, B and C. "A" signifies imminent danger, "B" means hazard is to be corrected in 30 days and "C" [illegible]ifies a problem where there is no [illegible]diate dang[illegible] where the problem should be corrected within 60 days. Later, a committee representative sits down with the manager to actually negotiate the order in which problems will be corrected. Walker says proudly, "The employees themselves designed the safety checklist, and I couldn't have designed it better myself."

Safety groups exist in corporate offices as well. Jim Marshall, insurance and safety manager for the McDonald's Corporation (Oak Brook, IL), says that his company's safety committee includes staff from the following departments: engineering, construction, operations, legal, insurance, personnel and training. The committee becomes involved in the full scope of safety problems—from construction to training.

Parking lot safety . . .

"In the parking lot, the key to safety lies in the design," says William English of Marriott. Look at the design for human factors." For example, although a restaurant may want to include ramps for the handicapped, it may want to discourage able-bodied patrons from using them since they tend to trip and fall on the ramps.

A common parking lot hazard are the wheel stops originally designed to keep motorists from driving into the restaurant. Although they have succeeded in their goal, they have also become a source for numerous customer falls. "For new lots," says English, "I want a good reason for a wheel stop. If it is just to keep a customer from driving into a tree, then let's make the tree planter wider." If the blocks are absolutely necessary, Dee Clingman of Red Lobster suggests painting the blocks in a bright, contrasting color.

Cracks and potholes also receive widespread attention. According to Albrecht of Pizza Hut, there is more at stake than safety when it comes to repairing these problems. "We're very tough on parking lot maintenance, fixing potholes and deteriorating areas quickly. It is the first perception of our [illegible]ant."

Dripping oil from customer cars is an ongoing problem with not much of a solution. A sudden rainstorm on the oil, in combination with people running from their cars to get out of the rain, invites slips and falls. There are chemicals to clean the oil, but their effectiveness is not guaranteed.

Proper illumination is crucial for preventing falls, but lighting poles must be checked regularly to make sure their electrical wiring is not exposed, or they could create their own hazard.

First aid . . .

Restaurants generally keep a standard first aid kit on hand. Some also train their managers in first aid procedures. At Red Lobster, managers receive 15 hours of first aid instruction. At Marriott, managers work toward a Red Cross First Aid Certificate. This training includes cardiopulmonary resuscitation (CPR) and instruction in the Heimlich maneuver.

Even if an operation does not have a formal training program, many restaurants teach their employees the Heimlich maneuver since choking from food is one of the more likely first aid emergencies. Pizza Hut's Ken Albrecht says, "We're not skittish about helping someone if they make no sound and use the universal sign of hand at the throat. I can't tell you the number of times the maneuver was used and successful." Albrecht had only to read from a recent company employee newsletter, "Waitress' hug saves boy's life," to prove his point.

For most other types of first aid emergencies, restaurateurs share the philosophy of George Hill, Jr. director of employee services for United Inns in Memphis, TN: "Get them PDQ to the doctor or hospital." This means emergency numbers must be posted near the phone. Emergency numbers should be checked periodically to make sure they are still accurate.

Out-of-the-ordinary emergencies . . .

Procedures should be in place as well for more unusual emergencies, such as hurricanes and bomb threats. Red Lobster developed a *Disaster Preparedness Training Manual* for such situations. The manual now serves as the backbone of company safety programs. It presents detailed procedures for coping with hurricanes, floods, earthquakes and a lo[illegible] list of other potential disasters. According to Clingman, "The manual has saved countless headaches. In the case of a hurricane, we know from experience we probably won't have any power," says Clingman, "so the manual lists names and numbers of refrigerated and frozen truck operators. With this information in hand, Red Lobster managers can quickly arrange for a refrigerated truck to protect our expensive inventory." The phone numbers in the manual are rechecked every 60 to 90 days to make sure they are accurate.

"There have been cases where we've been able to help the community by being ready," says Clingman. In the winter of 1980 when Chicago had record snowfalls, Red Lobster provided free coffee and soup to road crews. "Although we didn't plan it that way, since we were serving free coffee and soup we were the first ones to have our parking lots and roads cleared," notes Clingman, "so we were open for business long before our competitors."

What a safety program includes

- A strong statement of policy and continued support from the foodservice operator.
- The people, dollars and equipment to perform the safety functions.
- Rules for safe work practices, including equipment and facility maintenance.
- Clearly defined responsibilities for implementing safety activities. There must not be a misunderstanding as to what may be expected from each individual.
- Effective enforcement of safety rules that have been established for equipment operation and maintenance, maintenance of facilities and proper work practices.
- Continual educational and training efforts as well as recognition and reward activities.
- Responsibility for risk management, and an overall loss control program, including insurance programs.
- Procedures to collect safety information, such as accident data, to identify problems.
- A course of action to resolve the identified problem.

—NRA Safety Manual

In case of a bomb threat, the basic plan for most restaurants is to notify the police. "You must assume the caller is telling the truth. You don't know if it's a prank," warns Clingman. Depending on the restaurant's policy, staff may do an initial search. If the restaurant does begin its own search, usually trash is emptied and suspended ceilings, particularly in rest rooms, are searched.

Some restaurants instruct staff most likely to answer the phone about procedures to follow. The major directives are to be attentive, to keep the caller on the phone, to try to pass the call to the manager and to listen for any peculiarities in the caller's voice or any background noises that may either identify the caller or the location of the call.

A program of constant vigilance . . .

Safety inspections are a necessary maintenance step of any safety program. Jim Puzan, manager of quality assurance for Rodeway Inns (Dallas, TX), says that each of the 143 Rodeway Inn properties are inspected every six months to make sure all procedures are being followed.

The employee safety committee is one way to inspect the property for hazards but not the only method. Area supervisors are also used as are outside auditors.

Some restaurateurs use their insurance company to point out weaknesses and often this is a free service for policyholders. The loss control representative analyzes the property for dangers and recommends methods of improving the operation's safety program. Some insurance carriers make this service available to nonpolicyholders as well—for a fee. The fee for the service is usually about $50 to $60 an hour. An inspection typically takes between 10 to 20 hours. If, however, a restaurateur has a specific problem or interest, such as slips and falls, the number of hours spent in inspection can be considerably shorter.

In sum . . .

Obviously, there is no one, quick cure to prevent customer accidents, but safety committees, manuals, training, speakers and inspections are [illegible] of a well-run safety program. ☐

EMPLOYEE SAFETY

Ensuring a hazard-free environment

by Kathy Boyle

Restaurant employees face the same hazards as restaurant customers—slippery floors, torn carpets, the chance of a fire—but they face additional hazards in the kitchen as well. On a routine basis, restaurant employees use hand knives for cutting and chopping; they operate grinding, mixing and slicing equipment; they use high and low pressure steam in pressure cookers, urns, steam tables; they cook with microwave ovens, hot stoves, conventional ovens, broilers, grills and griddles, open gas flame and red hot electrical heating elements; and they use hot water, hot cooking fats and other potentially dangerous liquids.

NRA study group combats slips and falls . . .

Although the kitchen hazards of cuts, burns and other minor mishaps in the preparation of food are by far the most common injuries to foodservice employees, it is a "slip or fall" accident that is the most costly employee injury. Minor cuts and burns may only require a Band Aid. Back injury, on the other hand, can result in lengthy time off work and compensation over a period of years. To help alleviate the tremendous financial drain slips and falls have on the foodservice industry, NRA's Safety Officers Study Group named slips and falls as its "number one priority." The group, which meets twice a year, is focusing its efforts on three main products: 1) the shoes worn by restaurant employees, 2) the cleaning agents used on floors and 3) the floor material itself.

Of the three areas, the shoe project is the one nearing completion. Over two years ago, the NRA Safety Officers Group went to shoe manufacturers with the hope of inspiring them to develop a non-slip shoe. Herman Survivors, a division of Stride Rite Shoes which also manufactures Sperry Topsiders, embraced the idea. It worked with Goodyear Tire design engineers to design a unique tread that would inhibit slips on wet floors. The sole is made of a soft, durable trademarked compound. When it hits water, the shoe channels the liquid to the side through the shoe's tread. A full range

A new shoe has been designed to inhibit slips on wet floors. It is expected to be on the market by August 1985.

Rotating jobs is another good way to create awareness of safety hazards.

of sizes of these shoes is expected on the market by August 1985.

With regard to floor cleaning agents, the NRA Safety Officers Group approached the National Sanitation Foundation (NSF), asking the group to develop a standard for measuring a floor cleaning detergent's ability to remove soils from the floor. The NSF has agreed to do the research, and the standard should be completed within a year or two. With the standard to measure from, restaurateurs can determine if they are cleaning the floor properly or if the detergent is ineffective.

The third phase of the NRA Safety Officers Study Group's research—the floor materials themselves—is still in the planning phase.

Eliminating safety hazards . . .

In general, safety experts agree that the first line of defense in safety is to get rid of hazards as soon as they are spotted. Here is one example of how this might be done. When Red Lobster (Orlando, FL) introduced its new seafood pasta last year, it also added a microwave for warming. Because of space requirements Red Lobster mounted the microwaves four or five feet off the ground so employees had to reach up to put food in or take it out. But most employees couldn't manage this reaching without hot spills running down their arms so steps were added. "We learned don't put the microwaves up high," says Dee Clingman, vice president of quality control for Red Lobster.

At one fast service operation, there were several serious burn claims resulting from changing the oil in the fat fryer, recalls Lyle Pleak, manager of service management for the Liberty Mutual Insurance Company. "We worked with the company to find a better way to change the oil. By changing the procedure, we minimized the chance of serious burns," says Pleak. "It is better to engineer the hazard away or change the procedures first."

Kitchen doors which swing both ways are another typical restaurant hazard. Accidents typically occur when two employees rush at the door from both sides at the same time. A simple engineering solution is to cut a window in the door so servers can see if someone is approaching or, alternatively, screen the kitchen area from customer view with a wall. The latter would eliminate swinging doors altogether.

Another way to remove hazards is to test new menu items extensively before they are introduced. "When we decided to develop mesquite cooking," recalls Clingman of Red Lobster, "we evaluated hazards—even studying what pesticides are used to debug mesquite wood in Mexico and the U.S. By the time we rolled out the concept, there were no health or safety hazards. We chose mesquite charcoal, which takes up less storage space. In addition, it is easier to capture the ash, which reduces any breathing hazard for employees. There is a tremendous advantage in including the technical

Beginning a safety inspection—questions to ask

1. Exterior surroundings

- Are walks, steps, ramps and other passageways in good repair and free from holes or obstructions?
- Are parking lots well marked to indicate entrances, exits and traffic patterns?
- Is the area free from carts, boxes, cans and debris which could constitute a hazard?
- Are exterior platforms, steps and parking areas well-lit at night during operational hours?
- Are trash and other combustibles kept away from the building?
- Are ice and snow sanded or removed promptly from exterior landings, steps, walks, passageways and parking areas?
- Are parking lots free of holes that could cause tripping and injury?
- Are hanging signs, awnings and other exterior accessories safely secured?
- Are bottled gas cylinders properly supported and protected from physical damage?

2. Dining area

- Are service doors adequately marked to insure safe traffic patterns?
- Are tray stands and service carts in good repair and not obstructing traffic?
- Are waiters, waitresses or busboys refraining from overloading trays or bus boxes?
- Is floor free from food spillage, silverware, broken glassware, loose mats, torn carpets or other hazards?
- Are broken or wobbly chairs or unsteady tables quickly repaired?
- Are chairs free from splinters or metal or wood burrs?
- Is chipped or cracked glassware or dishware thrown away?
- Are customers guarded from hot food holding equipment?

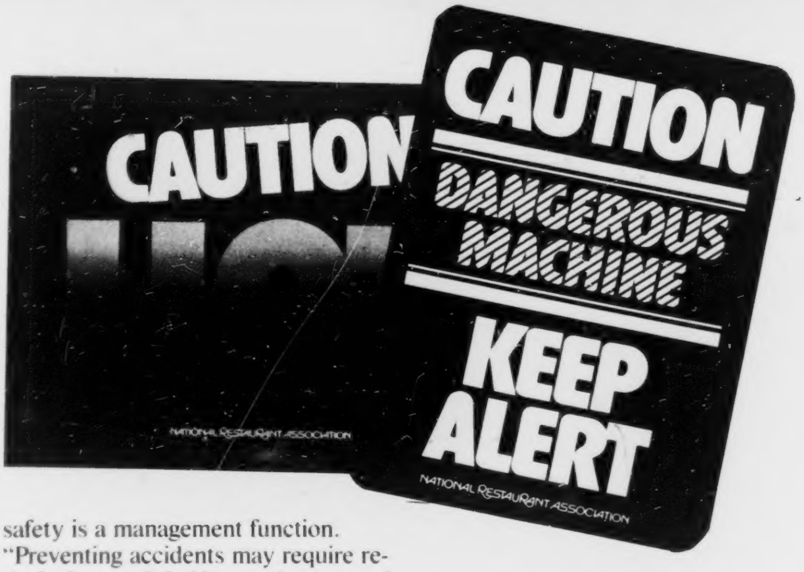
3. Fire protection equipment

- Are all fire extinguishers properly mounted, easy to see and easy to get to?
- Are all fire extinguishers identified for use (class of fire)?
- Are all fire extinguishers tagged, noting monthly inspection and annual maintenance?
- Are extinguishers of proper size and type for protection from hazard?
- Have the automatic sprinkler systems, standpipe and hose installations been inspected within the past year? Are they in operable condition?
- If cooking equipment has been added or relocated, have appropriate changes been made in the fire extinguishing system?
- Are portable fire extinguishers adjacent to the cooking equipment of the "20 BC" rating?
- Has the automatic fire protection system over cooking appliances been inspected and serviced by qualified persons in the last six months?

—*NRA Safety Manual*

people in the development of new products. I can't put a dollar sign on how much money we saved, but we certainly saved money."

Employees, too, can help with safety problems. At Red Lobster, one staff member developed the idea of an oyster mitt, which has minimized employee cuts from opening oysters. The mitt, which looks like a catcher's mitt, is made out of truck tire inner tube material. "What we did was buy truck tire inner tubes and donated them to a handicapped work center. The handicapped now cut out the patterns for the mitts and assemble them for us. It really has cut down on injuries," explains Clingman.


CAUTION
NATIONAL RESTAURANT ASSOCIATION
CAUTION
DANGEROUS MACHINE
KEEP ALERT
NATIONAL RESTAURANT ASSOCIATION

Safety is a management function . . .

Other safety hazards cannot be effectively eliminated. In these cases, training is required to protect employees. Training can take many forms: individual instruction, group orientation, on-the-job reminders, audiovisual aids or employee newsletters with safety hints. The McDonald's Corporation (Oak Brook, IL) publishes "Safety Alert Bulletins" once-a-month. These highlight a different safety topic each time, such as slippery floors, dangerous chemicals employees may handle or shoe safety. Several insurance companies, including CIGNA Loss Control Services, Inc. and the Liberty Mutual Insurance Company, have developed video tapes on fire safety and other measures. These can be borrowed for a small fee.

"There is a tremendous advantage in including technical people in the development of new products."

"It takes continuous awareness to foster safety," says Terry Higgins, director of risk management for SAGA Corporation (Menlo Park, CA). "We have incentives and corporate awards to stimulate safety awareness. Our 'safety bingo' is a game between units, where the winner is the unit that goes the longest without an injury. The prizes are not necessarily that big—a free lunch or a half-hour off work—but they are motivating."

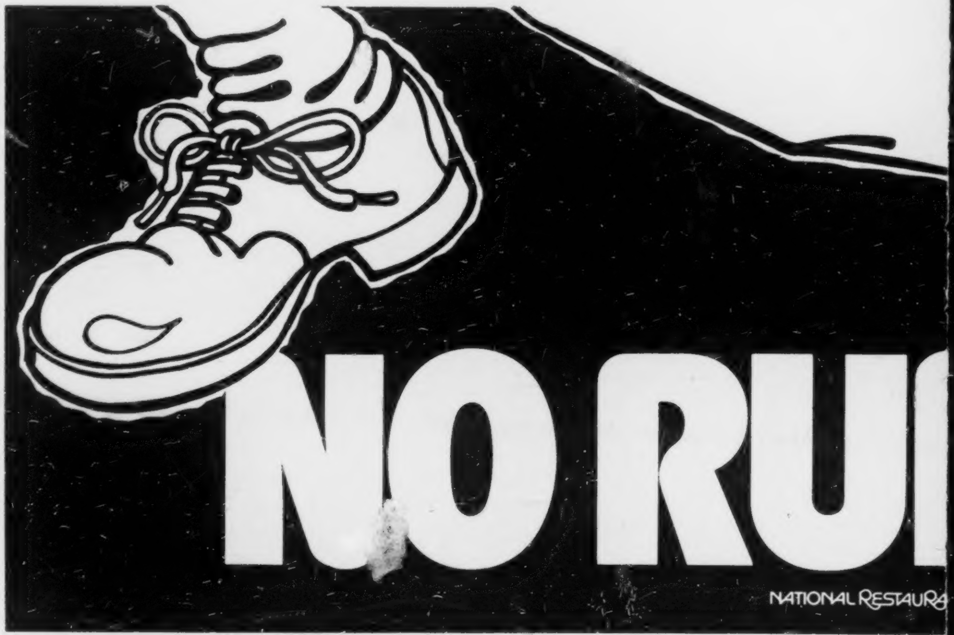
Jim Marshall, insurance and safety manager for McDonald's agrees that safety is a management function. "Preventing accidents may require redesigning work habits, equipment and training procedures or just feeding accident information out to people. It's getting back to basics. Are the maintenance procedures being done on schedule? For example, although it's hard to clean floors in the kitchen or in employee working areas during a busy time out front, good safety procedures dictate a soiled kitchen floor must be cleaned on a strict schedule.

Rotating jobs is another good way to create awareness of safety hazards. Since employees get bored performing repetitive tasks, they can become complacent and can injure themselves by not paying attention. New tasks demand attention.

Keeping a record of accidents . . .

Keeping a record of accidents can provide very useful information for corrective action. Be sure to note the time of day, day of week and date. When Red Lobster collected this information, it found, not surprisingly, that most accidents occurred during the summer months on Friday and Saturday evenings, during the busy times between 4 to 8 p.m. when the most people are in the restaurant and things are happening faster.

Thus it makes good sense to sched-



ule routine tasks ahead of the busiest times to offset the extra confusion. Also, by having enough staff on hand, employees are less likely to take dangerous safety shortcuts because they are rushed. Randy Walker, director of safety and security for S & A Restaurant Corporation (Dallas, TX) agrees, "Without adequate staffing, employees are rushed and not thinking about safety; they cut corners and eventually someone will get hurt."

Safety self-inspection programs are crucial . . .

But staffing is not enough. A self-inspection program is essential to routinely evaluate the effectiveness of safety efforts and to indicate the weak points that require action.

Inspection sheets should be developed for each specific operation or procedure within the restaurant. A single, all-inclusive self-inspection form is self-defeating as it will seldom be used.

There is no guaranteed best way to develop checklists. One idea is to divide the operation by areas—receiving, garbage storage area, meat cutting area, baking area, dining room, food holding area and bathrooms—and then develop safety checklists for each area. This way a responsible employee can check a specific area as needed. Other checklists can be developed for specific equipment, such as ladders and first aid equipment. (See sample questions in inspection sidebar.)

The frequency of inspection is a matter of common sense. In winter, when sidewalks are icy, the restaurant exterior may have to be checked several times a day. On the other hand, a monthly inspection of portable fire extinguishers will probably be adequate. Employee safety committees are often the best source for developing checklists and carrying out routine inspections.

No inspection program would be complete without follow-up procedures and corrective actions. As soon as possible, discuss hazards during training sessions or post alerts on bulletin boards or print in the company newsletters.

"Without adequate staffing, employees are pushed and not thinking about safety. They cut corners and eventually someone will get hurt."

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Looking ahead for better solutions in the future . . .

There are a number of operators who believe the foodservice industry needs to take a longer perspective on safety. "We need to think beyond the traditional methods we now use. For example, we need to think of different ways to clean floors besides the mop and bucket," encourages Terry Higgins of SAGA Corporation. "The wet-vac is just one possibility. The vaccum picks up a high percentage of the water spread on the floor, leaving a less dangerous wet floor. Even though the wet-vac is widely available, it is not widely used in the foodservice industry."

Higgins also suggests that restaurateurs take a long, hard look at kitchen design with regard to safety. "After slips and falls, strains are our next most serious injury," he says. "Our people handle and lift heavy material and end up with strains. What we should do is look at the restaurant kitchen with this type of injury in mind," suggests Higgins. "Some equipment has evolved correctly, some has improved. But with just a few, small changes we could make major safety improvements. I would say that the next frontier in restaurant employee safety is in kitchen design."

The size and weight of deliveries should be studied as well. Often these can be changed. When Red Lobster found that some items were being delivered in 70 to 80 lb. boxes, the company worked with suppliers to limit the size of packages to 50 lbs. maximum.

Conclusion . . .

The best safety programs try to eliminate hazards as they are spotted. Or, if they can't be eliminated, restaurant procedures are changed to compensate for the danger.

Safety-conscious employees are one of the greatest assets to a well-run safety program. Employees not only can spot hazards long before a routine inspection is necessary, but they also can inventively solve safety problems. ☐

Editor's note: *The National Restaurant Association has produced nearly two dozen different safety materials—from manuals to stickers, such as the ones used to illustrate this story. For more information about these materials, consult NRA's* Catalog of Publications *or call the NRA office in Washington, DC, at (202)638-6100 or (800)424-5156.*

RECIPE FORMATS

From hand-me-downs to computerized systems

by Toni Lydecker

The pork chops with home-canned peppers are made just as they were in 1938, when Anthony Panza's great-grandmother presided in the kitchen of Panza's Restaurant in Saratoga Springs, NY. But the recipe has never been written down. "There's been no need. My 87-year-old grandmother is still cooking that dish, and another family member will take over when she retires," explains Panza. Several dishes created more recently, such as Fettucine alla Panza and the restaurant's version of homemade Italian sausage, are also known only to the family—largely because of a desire to maintain secrecy.

The Panzas are following a great oral tradition that still reigns in Europe, where it is rare to see either a family cook or a restaurant chef poring over a recipe. Instead, knowledge of culinary techniques and traditional dishes is stored mostly in their heads.

But the Panza family operates an American restaurant in the 20th century, managing a staff of 40 employees whose training in the culinary arts is fairly limited. Unlike the pork chop dish, many of the restaurant's offerings are not signature items. For these reasons, the family has devised a system of recipe management that promotes consistent, efficient preparation of food. Recipes for a majority of menu offerings have been written down with the aid of a custom-designed software package, and copies are computer-produced as necessary for staff use.

This article profiles the successful use of recipes by three restaurants: Pawleys Island Inn, Pawleys Island, SC; Printer's Row, Chicago, IL; and the American Cafe, Washington, DC. Although their recipe management systems differ greatly, these operations share a common determination to maintain high standards of quality in the food they prepare.

Use of recipes in restaurants does not follow any ironclad rules. Indeed, radically different methods may be used within the same restaurant. Because recipes are part of an operation's total management matrix, the most useful system depends on the type of food served, the size of the menu and its changeability, the management structure, and the skills of employees working in food preparation.

"Our recipes are a valuable commodity. If we lost them through fire or some other disaster, we'd have to start over."

Some restaurants record recipes on file cards, while others keep them on 8½" × 11" sheets of paper. Both are ordinarily covered in plastic to protect against grease, food and repeated use. Copies may be distributed to appropriate work stations each day or hung permanently on hooks for easy access. Duplicates of recipes are often stored in the company safe. As one restaurant owner pointed out, "Our recipes are a valuable commodity. If we lost them through fire or some other disaster, we'd have to start over."

Abbreviated recipes encourage concentration . . .

Louis Osteen, owner of Pawleys Island Inn (Pawleys Island, SC), conceives of recipes as living creations: "They evolve a little at a time. I'm continually adjusting a recipe to reflect what I've learned." The 200-seat restaurant, with its constantly changing menu, is known for such unusual dishes as "angel hair pasta with Waccamaw River sturgeon caviar" and "duck breast grilled with honey and thyme flowers."

Some recipes have been written out, usually when a customer asks for a copy, but most exist only in outline form, such as this one for a wine sauce base: "1 cup shallots, 4 cups white wine; reduce by ½. Add 1 cup veal stock, reduce again. Add 2 quarts cream. Cook until thick. Strain."

Such shorthand recipes make sense when a well-trained cook is on hand to decipher and make adjustments, but Osteen's use of abbreviated recipes is also a management technique. He believes that detailed "standard recipes" can breed mediocrity, by encouraging kitchen staff to cook without thinking. "Cooking is a sequence of decisions that must be made correctly for the dish to turn out. Without highly specific instructions, the cook must taste carefully and think hard about what to do next. Because of that mental concentration, the dish is more likely to turn out well," maintains Osteen.

A recipe calling for 50 pounds of onions or 10 quarts of veal stock might seem foolproof, but following it mindlessly can be dangerous, he insists. If the onions are unusually sharp, that quantity could be excessive; similarly, extra meat on the bones could produce a stock of greater strength than usual. A cook who is aware of natural variations in ingredients will make appropriate adjustments in the recipe.

Osteen works closely with the kitchen staff, checking dishes in the final stages of preparation to make sure taste and appearance meet the restaurant's standards. When someone new joins the staff, his involvement may be even greater until recipes are prepared consistently well. Certain techniques cannot be taught through a recipe, believes Osteen, citing the delicate sense of timing required to grill a piece of fish properly. He also has strong preconceptions about presentation, and will spend several minutes showing a cook exactly how to lay the sauce across an entree of sauteed veal with crawfish.

Even with this strong supervisory control, small variations in the restaurant's dishes are inevitable. "But," shrugs Osteen, "you can either have consistent food or good food. What we strive for is consistently good food."

Computerized recipes provide framework . . .

At Printer's Row (Chicago, IL), owner Michael Foley's approach is much more detailed. The menu, which has won national acclaim for its marriage of classical European cooking techniques with fresh American ingredients, changes daily.

To organize the staff, each day's menu is entered on a microcomputer. Whenever possible, each description follows this order: product, method, garnish. For relatively simple recipes, Foley notes the proportions beside each ingredient. For "medallions of salmon baked with red wine sauce and American salmon caviar," he would write "2 oz." beside salmon, "2 oz." beside red wine sauce and "1 oz." beside caviar. The cook responsible for preparing the dish can refer, if necessary, to the restaurant's basic recipe for red wine sauce.

A more complex recipe receives a full written description, again following the "product, method, garnish" format. Stored permanently in the computer, both the menus and detailed recipes are periodically indexed according to season and dominant ingredient. For example, persimmons are categorized under autumn recipes; and when that fruit is selected, recipes for persimmon pudding, persimmon ice cream, persimmon sorbet, and duck with a warm persimmon sauce will appear on the screen.

Whether he has annotated the menu or written out full instructions, Foley does not simply hand the material over to the sous-chef or a cook. Instead, he uses it as the framework for a discussion about correct preparation procedures. The cook develops individual specialties, such as sauces or seafood. Each maintains a book of all recipes prepared while at Printer's Row and is encouraged to take this collection along when moving to a new position. "It's an excellent way for a budding chef to build a repertoire," commments Foley.

Recipes help, but fine tuning is generally necessary each time a dish is prepared. Recognizing that a good cook must know when a little more salt or lemon juice would round out the flavor, Foley encourages staff to "taste and taste and taste." He adds, "Too often, we're in such a hurry to create that the food doesn't taste as good as it sounds and looks." A common problem with a new recipe is that the chef does not know how it should taste. In this situation, it is important to work closely with the employee the first few times the dish is prepared.

Following a highly organized system of recipe management pays off in three ways, says Foley: "It allows the executive chef or owner to approach a cook in the same way each time—you're giving verbal instructions, but with a hard copy to fall back on. Second, having all the recipes on file is invaluable for training new staff. Third, it makes writing a cookbook much easier."

> **"Without highly specific instructions, the cook must taste carefully and think hard about what to do next. Because of that mental concentration, the dish is more likely to turn out well."**

Two-tiered recipes assure quality on a large scale . . .

Everyone knows of a restaurant that went downhill after growing too large for the owner or executive chef to personally supervise the preparation of food. The American Cafe (Washington, DC), known for its use of fresh ingredients in innovative recipes, is a counterexample: a company that has kept its grip on quality while diversifying and expanding.

Running a central kitchen has helped the American Cafe maintain its reputation for consistently high-grade menu offerings. A complex recipe management system has also contributed to this effort.

The company's central kitchen supplies a wide variety of prepared foods to 12 units, including restaurants, market cafes and a catering operation. Many of the company's best-known dishes are prepared here: soups, stews, roasted and smoked meats, composed salads and baked goods. Central kitchen staff develop expertise in preparing these dishes properly. The culinary skills of most staff in the units, on the other hand, rarely extend beyond the ability to reheat soup or slice meat. Instead, their forte is food presentation.

A two-tiered recipe system reflects the differing responsibilities of central kitchen and unit employees. When the executive chef of the central kitchen completes a new master recipe, it goes on file. Because the quantity needs of the units vary greatly, a basic one-pound recipe is adjusted for several different batch sizes, depending on how much is needed that day.

"Uniformity in preparation and presentation is essential in a large operation such as ours. We can't toler-

How to develop winning recipes

1. Think of an idea. For inspiration, thumb through cookbooks, cooking magazines, your own notes. Or use an interesting product—zucchini flowers, say, or a locally made cheese—as a starting point. Don't try to be original for originality's sake; raspberries with dill sauce may be a new idea, but that doesn't mean customers will like it. The best new recipes often give a different twist to a classic preparation.

2. Test the recipe. Write down all ingredients and instructions, using either blank notebook paper or a form with columns for several tests. Follow this draft exactly, using standard measuring devices even when you would ordinarily improvise. Revise the recipe according to notes made during the testing and the reactions of your tasting panel. Then test the recipe again—and again—until it is perfect.

3. Measure the ingredients. Volume is normally used for liquid ingredients; weight is more accurate for dry ingredients, especially when the recipe is for 25 portions or more. For the sake of efficiency, use the easiest unit of measure—¼ cup milk, not 4 tablespoons milk. Consider including metric equivalents alongside standard units if some staff members are accustomed to using them.

4. Describe the ingredients. List ingredients in the order in which they will appear in the instructions. Describe each ingredient precisely (Spanish onion, ground oregano, unbleached white flour). Also, describe its specific form or state; for example, one pound cream cheese, softened, cut into small chunks.

5. Describe the method. Gear the style and length of recipe instructions to staff needs; remember that a new employee may benefit from extra detail. Terminology should be precise, as in these terms for cutting ingredients: "mince," "finely chop," "coarsely chop," "cut into pieces of x proportions." List a range of cooking times ("20–25 minutes") or a time and a completion phrase ("25 minutes or until bubbling"). Always list time before temperature ("Bake 12–15 minutes at 400° F."). Describe the size and nature of all utensils and containers.

6. Include helpful details. Always list a recipe's yield at the outset. Other useful information: total preparation time, ingredient variations, freezing instructions, shelf life, nutritional content, suggested accompaniments, garnish ideas.

"I'm continually adjusting a recipe to reflect what I've learned."

"A common problem with a new recipe is that the chef does not know how it should taste."

ate variations in the execution of recipes," said Matthew Spielman, executive general manager of food services for American Cafe. To ensure that a dish will look and taste exactly the same each time, the recipes spell out every detail of execution; for example, a pasta recipe will dictate which machine setting is necessary to produce noodles of the correct dimensions.

A standard grid makes it easy to find each step of the recipe. Reading from left to right, the staff member identifies the ingredient, the amount by weight or volume and the method of preparation. Each recipe specifies a shelf life, calculated to end well before spoilage occurs. No deviations are permitted.

The recipe system's second component specifies how to complete the preparation of a menu offering and to plate it. Containing specifications for all new recipes, a book corresponding to the American Cafe's summer and winter menus goes out twice a year to each unit. The instructions for cole slaw, for example, tell unit employees how to slice up cabbage and other fresh ingredients each day before mixing in the cole slaw sauce made up in the central kitchen.

Equally important are the plating instructions, which describe how many grams of each item should be placed on a plate and the precise arrangement of all items. In the recipe for chicken tarragon sandwich, for example, the instructions not only tell how much chicken to put on the croissant but also the precise quantity and arrangement of the garnishes—down to the grams of watercress and the number of cucumber slices. A line at the bottom of the recipe may instruct the server to perform some last-minute operation, such as adding a spoonful of dressing to the salad.

When a new recipe is developed or an existing one is modified, the appropriate plating instructions are sent out immediately to the units, along with an explanatory memo. Because this information is stored in loose-leaf binders, incorporating changes is simple.

Still, manager Matthew Spielman argues against overemphasizing the recipes themselves: "After all, they're just paper. It's human beings that make recipes work. When you have a creative chef to develop the recipes and good employees to carry them out, everything falls into place." ❑

Does your new recipe measure up?

Before adding a new recipe to the menu, where it could help or hurt your image, give it close scrutiny. Ideally, at least three qualified people should taste and evaluate a recipe according to these criteria.

Appearance. Is overall appearance good? Can the color or visual appearance be improved by adjusting ingredients or preparation? Would the addition of a sauce, topping or garnish help?

Flavor. Does the intended taste come through? Do the flavors of individual ingredients blend, or does one ingredient dominate? Do herbs and spices enhance the natural ingredients or overpower them? Is the aroma appealing, unpleasant or lacking?

Texture. Do textural qualities, such as smoothness, roughness or granularity, add or detract from the dish's appeal? Would the addition or omission of ingredients improve the texture?

Nutrition. What is the nutritional composition of each portion (include calories, vitamins, fat, protein, etc.)? Does the dish have strong positive or negative qualities, nutritionally speaking? Could nutritional value be increased through adding, eliminating, substituting ingredients?

Practicality. Are ingredients readily available? Does the recipe stipulate whole units of ingredients wherever possible? Are such elements as difficulty of preparation, dishes and appliances used, and time required appropriate to the operation's resources? Based on the total cost of preparation, does the recipe fit readily into the operation's pricing structure?

Customer appeal. Will the recipe sound appealing to customers when described in the menu or by servers? Would the dish be inviting if photographed for the menu? Does it hold the potential to become one of the restaurant's signature menu offerings?

Next in Line

Moving Into The Family Business

by Anne Papa

When California restaurateur Perry Poteris was first considering getting into the business, his father, an established restaurateur of 50 years, sat him down and sternly said, "Son, better you should break both legs than get into this crazy business. But if you must, be prepared to love it."

Albert Taxin, second generation family owner of Old Original Bookbinder's Restaurant in Philadelphia, PA, recalls evenings during his childhood when his father would come home from the restaurant, exhausted and exasperated. "He'd say he was fed up," remembers Taxin. "He'd say the business was making him old before his time. And then in the same breath he'd turn to me and say, 'One day, son, this will all be yours. And you're going to love it just as much as I do.'"

Albert Taxin does love the restaurant business. So does Perry Poteris. For them and for thousands of successful restaurateurs across the country, foodservice is much more than a business—it's a family tradition. Independently-owned restaurants account for approximately one-half of all foodservice establishments in America today, and a vast majority of these are operated by two or more members of the same family.

Ask any of these operators, many of whom represent the second, third or even fourth generation of family ownership, why they're in the business, and they'll list a variety of reasons: "I was raised in this business. I wanted to make my parents proud. I wanted to be my own boss." Ask for one overriding reason, however, and the answer will inevitably be the same: "I'm in this business because it's in my blood."

More than just "the boss' kid"...

Being next in line to assume ownership of the family business has many obvious advantages. "In what other business situation are you automatically pegged for the top slot?" asks one heir. But this does not mean that problems don't exist. Bill Zehnder, second generation family owner of the

Bill Zehnder (top left) and family

> **"If your parents founded the business, you're going to have conflicts. Often the younger generation is better trained for management. Even so, you never want to lose that entrepreneurial spirit, that desire and drive instilled by the founder."**
>
> *—Bill Zehnder*

Frankenmuth Bavarian Inn, Frankenmuth, MI, voices the frustrations of many when he says that one of the biggest problems the successor in a family business faces is the constant need to develop a separate credibility. "You can't stay in your parents' shadow," he says. "You've got to be more than just 'the boss' kid.'"

Indeed, the development of credibility and a management style independent of one's parents is a process which begins the moment "the boss' kid" enters the family business. Particularly for those who jump immediately into a top level position, the challenge is constant. Don Roth, owner of three fine dining establishments in Chicago, IL, says he had a difficult time starting out because he had to learn from the top. "As the boss' son, I became an executive immediately," he recalls. "I didn't go through the various departments first—cooking, dishwashing, waiting tables—that many other managers go through. Consequently, I had to concentrate for a long time on just learning the ropes before I could even consider any changes or new directions." In contrast, Roth feels his two sons are better prepared to enter the business because they've already spent time "learning the ropes," that is, doing various jobs in the restaurant while growing up.

"If there's one thing these young people have taught me it's that my expertise is put to better use if it is selectively channeled. And the only way to do that is to delegate responsibility."

—Harold Leifer

Like Roth, many family owners believe there are definite advantages to be gained by getting into the family business early—even starting at the bottom. Recalls Albert Taxin of Old Original Bookbinder's, "I remember telling my father I wanted to start at the top. To which he responded, 'Dig a hole. That's the only way you'll start at the top.'" So Taxin spent his early years at the restaurant assisting the chef in the back of the house, assisting the host at the front of the house and basically filling in wherever he was needed. "This put me ahead in two ways," he maintains. "First, I was learning. I was constantly learning about the business from experts. And, second, other employees could *see* I was learning. I was paying my dues, and so I gained credibility in their eyes."

Bill Zehnder of Frankenmuth's Bavarian Inn recalls with a laugh how, at the age of 10, he began "paying his dues" at the family restaurant. "Back then, the dishwashers used to throw the garbage to the hogs we kept on our farm. Well, my job was to go out there and collect any pieces of silverware that might have been thrown away. For each piece salvaged, I was paid a nickel." Zehnder says he gradually moved into more conventional positions, such as doorman, dishwasher and fry cook. He agrees with Taxin that these experiences helped him tremendously when he moved into management.

Making the decision to stay in the business . . .

Albert Taxin, Bill Zehnder and countless second or third generation family owners like them faced challenges coming into the family business that were formidable, yes, but never insurmountable. Says Taxin, "I was willing to deal with anything because, quite honestly, there was nothing else I ever wanted to do. Plain and simple: From the time I was just a kid, I knew exactly where I was going."

For some, the ambition to one day assume control of the family business encourages them to obtain formal education in restaurant management. Harry Knowles, owner of The Manor, an upscale restaurant in West Orange, NJ, has two sons who also "never considered doing anything else. They grew up in this business, and they wanted to stay in this business." Knowles says that his sons have an advantage he never had because both attended restaurant management school. "The lessons they learned in college are directly applicable to situations here," he says.

For others, the desire to one day assume ownership of the family business is not so clearcut. Many sons and daughters of family business owners question the inevitability of their futures. They wonder what it would be like to pursue careers elsewhere, away from the securities and pressures of the family business.

Bernard Guste, proprietor of Antoine's Restaurant in New Orleans, LA, represents the fifth generation of Antoine's ownership. It's been two years since he assumed proprietorship, and he says he finds his work challenging and rewarding. Much of his current job satisfaction, he believes, can be attributed to his decision at an earlier age to leave the business for a while.

"I was feeling restless," he recalls. "I can best describe it this way: I used to walk through the French Quarter, and I'd see those mules with little hats and sunglasses on, pulling little old-fashioned buggies. They'd also be wearing blinders that blocked their peripheral vision so they wouldn't get spooked. These blinders gave them tunnel vision. Well, I could identify with those mules. By never leaving the family business, I felt I wasn't seeing everything there was to see."

Guste subsequently left the business for seven years, working as a restaurant manager in other people's family businesses. When he came back, he had a renewed enthusiasm and appreciation for his position at Antoine's. "My perspective had completely changed," he avows. "I'd proven something to myself. I felt more capable, more credible."

"I remember telling my father I wanted to start at the top. To which he responded, 'Dig a hole. That's the only way you'll start at the top.'"

—Albert Taxin

For Ralph Brennan, proprietor of Mr. B's, a fine dining establishment also in New Orleans, leaving the family business meant pursuing a career that was completely removed from restaurant management. Brennan, whose family's restaurant ownership includes Mr. B's and Commander's Palace in New Orleans, LA, and Brennan's of Houston in Houston, TX, studied accounting in college and then worked for a time as a certified public accountant with a leading firm. "Working outside of the business gave

"I'm over 40 years old. Sometimes I wonder, 'When will my father no longer have the last say?'"

—Bill Zehnder

me a feeling of independence, which I've since been able to carry back into the business," he explains. "I always knew I'd come back to the restaurant—I kept gravitating toward it—but I also knew I had other interests." Brennan adds that his accounting ability has proved invaluable in his management of Mr. B's.

Two generations coexisting in management roles . . .

Whether the "boss' kid" leaves the business and returns or comes directly out of restaurant management school, sooner or later he or she is ready to take over the reins. Occasionally, parents may take this opportunity to remove themselves from the day-to-day rigors of the business. More often than not, however, there is a period of overlap. Parents who are in control and accustomed to doing things their way share responsibility with sons and daughters who may have their own, very different, management styles. Again, it is the constant need for credibility and independence that inspires many incoming family members to assert themselves openly and up front—even if their opinions may conflict with those of their parents.

"Particularly if your parents founded the business, you're going to have conflicts," says Bill Zehnder. "Often, the younger generation is better trained for management. Even so, you never want to lose that entrepreneurial spirit, that desire and drive instilled by the founder." Zehnder says that usually his parents, who are both still active in the business, are in full agreement with the decisions he makes daily. But occasionally they'll disapprove. Often it's for good reasons that were not readily discernible. "There may be emotional ties involved that I was not aware of," he says. This interjection does not frustrate Zehnder. "After all, I can't forget that this is their dream I'm operating. So if they have qualms about my involvement in a particular area of the business, I respect that and back off."

Don Roth of Roth's Restaurants, Inc., reminisces about the sharp contrast between his and his father's management styles when he first came into the family business. "My father was constantly on the floor of the restaurant with his hands in everything," Roth recalls. "He wasn't inclined to allocate responsibility. Well, I've never operated that way. I believe managers are only essential to a business if they can be trusted to assume responsibility." Roth points out that it would be impossible for him to oversee all operations personally. "Restaurant management today goes far beyond what it was 30 years ago," he maintains. "Today it's a matter of finance, of marketing, of promotion—of *business*. The old image of the hands-on entrepreneur no longer suffices. I have to manage differently than my father did because the business is different."

Don Roth and son Doug at the NRA Show

"Restaurant management today goes far beyond what it was 30 years ago. Today it's a matter of finance, of marketing, of promotion—of business. The old image of the hands-on entrepreneur no longer suffices. I have to manage differently than my father did because the business is different."

—Don Roth

Learning to delegate is the same lesson that Harold Leifer, owner of Jimmie Kramer's Peanut Bar in Reading, PA, says he has learned from his son, nephew and niece, all of whom have come into the business. "At first I resisted it," he admits. "My way of thinking was that the best way to get anything done was to do it yourself. I was spreading myself too thin. Well, if there's one thing these young people have taught me it's that my expertise is put to better use if it is selectively channeled. And the only way to do that is to delegate responsibility."

Ask any of these operators why they're in the business . . . one overriding reason will inevitably be the same: "I'm in the business because it's in my blood."

Expanding the business to meet different needs . . .

In some cases, families satisfy the need for both generations to maintain their own management style by expanding the business. In this way, members of the younger generation enjoy the entrepreneurial feeling of starting in on the ground floor, while members of the older generation are able to profit from a new venture without having to worry about the day-to-day details.

Perry Poteris owns three restaurants in Sacramento, CA. One of the establishments is upscale, one is a family restaurant, and one is a coffee shop. All are located within a half-mile radius. When Poteris' son George graduated from college with a degree in restaurant management and came to work for his father, there was a slot waiting for him as director of operations for the three restaurants. "But he's a lot like his father," Poteris laughs. "He just isn't content to leave well enough alone." So, together, George and Perry Poteris studied their market area and determined that a fast food franchise would best supplement the three existing restaurants. Perry Poteris is assisting with some initial legwork on the project, but his son has the ultimate responsibility for follow through.

Bill Regas, owner of Regas Restaurant in Knoxville, TN, says that the opportunity for expansion is what brought his son Grady into the family business. "He didn't feel there was room for him at the restaurant we already had," Regas says. "He could see we had a fine staff of competent managers, many of whom had been with us for years. He didn't want me to create a position for him just because he was my son." So father, son and partners Frank and Gus Regas put their heads together and decided to develop a completely new concept, which Grady would help manage. Thus developed Grady's, a casual dining establishment that is quite a departure from the white tablecloth elegance of Regas Restaurant. Open just over a year in Knoxville, the success of this venture under the leadership of company president Mike Connors has prompted the opening of two new Grady's units in Charlotte, NC, and Atlanta, GA. Grady Regas manages the Charlotte unit.

"Working outside of the business gave me a feeling of independence, which I've since been able to carry back into the business. I always knew I'd come back to the restaurant—I kept gravitating toward it—but I also knew I had other interests." *—Ralph Brennan*

Perry Poteris with son George

"My father said, 'Son, better you should break both legs than get into this crazy business. But if you must, be prepared to love it.' " *—Perry Poteris*

Officially becoming "the boss" . . .

When does the period of overlap between the two generations end? When does "the boss' kid" officially become "the boss"?

There is no cut and dried timetable regarding this final transition of authority, just as there is no set formula in any aspect of family business management. Says Bill Zehnder with a laugh, "I'm over 40 years old. Sometimes I wonder, when will my father no longer have the last say?" Although Zehnder makes most decisions and presides over staff meetings, he says his father is always in attendance "just to make sure nothing gets by he doesn't like."

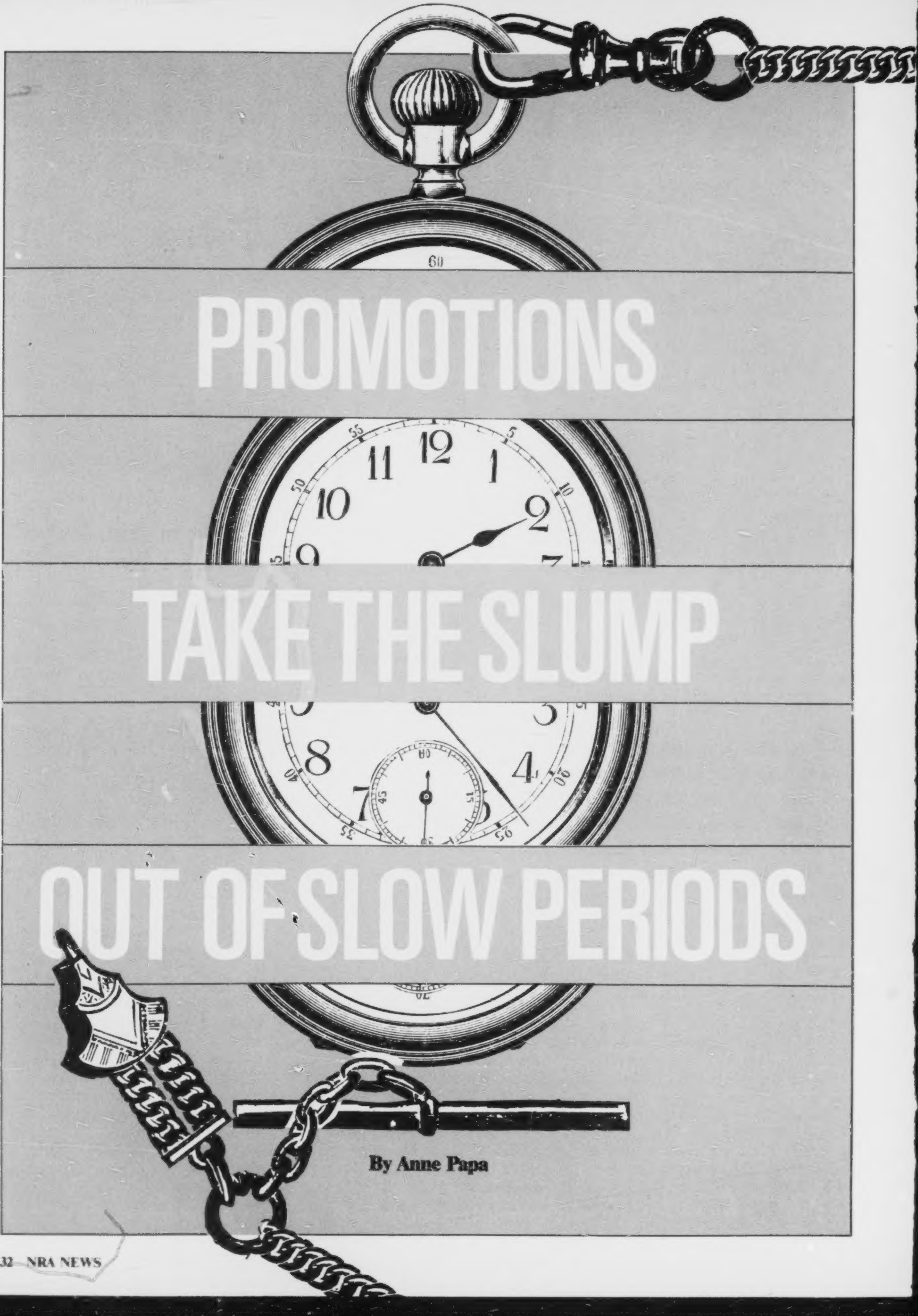
Albert Taxin agrees that the moment of transition is not easy to pinpoint. "It's hard to say when you finally take over," he muses. "You don't know when or why it happens—it just happens. Suddenly the chef comes to you instead of your father for direction." Taxin's father now goes away for six months each year but comes into the restaurant daily when he's in Philadelphia. "We'll growl at each other a lot, but I really do need him," Taxin says. "More than anything, he's a great leaning post."

And Bernard Guste of Antoine's says that, even though he is the restaurant's official proprietor, he actually is more or less the "eyes and ears" for the rest of the family. "The term 'proprietor' simply means I'm on the property, representing the best interests of my father and the rest of the family," he explains. "Just because I'm here every day and they aren't doesn't make this *my* business. There are still many decisions that I pass right on to them."

In sum . . .

The transition of family business management is a never-ending process. No sooner is one generation finally in charge then the next generation comes along. But throughout each succeeding generation there remains one overriding constant. As Bill Zehnder puts it, "Management may change, procedures may change, the business may grow and develop. But it will always be our family business. It will always be in our blood." ❑

PROMOTIONS TAKE THE SLUMP OUT OF SLOW PERIODS



By Anne Papa

Across the country, operators are creating promotions to fill their dining rooms during slow periods. Whether they are boosting early dinner hour sales, building business on lackluster Monday or Tuesday nights or increasing traffic during cold winter months, restaurateurs are keeping those slow periods from slowing down profits.

Daily off-peak hours . . .

Breakfast hours, although rapidly gaining in popularity, are still regarded by many operators as slow periods of the day. "Unless you're specifically a breakfast place, you'll rarely reach the volume you get at lunch or dinner," complains one operator. Eugene Chismer and Jay Naparlmo, owners of five Burger King franchises in eastern Virginia, say they faced—and overcame—that problem. "When Burger King began marketing breakfast items, people were still thinking of us as a place to get burgers and fries," reports Chismer. "So we increased our breakfast business by adding extra touches. Waitresses brought food to customers, an unusual service in fast food restaurants. We gave each customer a copy of the daily newspaper. We set up televisions to broadcast morning news shows. As a result, when the company started gaining solid ground in the breakfast market, we'd already established a breakfast reputation in our area."

For the Georgian House, a 24-hour service restaurant in Niagara Falls, NY, its reputation as a great place for breakfast helped build business during a less common but no less problematic slow period—midnight to 7:00 a.m. "On weekends, we do well when the area bars close for the night," explains general manager Bob Wiepert. "But on weekdays, we needed something to keep the place busy. People don't normally eat out at four in the morning. So since we're known throughout Niagara Falls for our midmorning breakfast specials, we decided to extend them to the early morning hours as well." Between midnight and 11:00 a.m. at the Georgian House, customers feast on hearty breakfasts for as little as $1.09. Wiepert says the special keeps early morning business steady throughout the week.

Many operators find their dining rooms empty between the hours of 2:00 and 5:00 p.m. But, ironically, the kitchen is often busiest at that time. The cleanup after the lunch rush, combined with preparation for the dinner rush, keeps things pretty hectic. Still restaurateurs find ways to drum up a little business during those hours. For instance, Jerry Minnick, owner of Minnick's Top Hat in Middleton, WI, sponsored an afternoon tea in his lounge between 3:00 and 5:30 p.m. on weekdays. "The promotion was ideal because the dining room was clear for cleaning and setting up," he says. "The lounge, which requires less prep work, was filled at an hour when it would not have been otherwise." Hotels from coast to coast also have experienced success with the afternoon tea concept.

Once 5:00 p.m. comes around, most restaurateurs are ready for a full house. Didi Debruyne, owner of La Maree, an upscale restaurant in Washington, DC, says he thought he had a profitable dinner business until he took a closer look. The restaurant was always filled by 7:00 or 7:30 p.m., but it was only partially full during the two hours before. So Debruyne established an "early bird" dinner special, offering diners who came in between 5:30 and 7:00 p.m. a complete dinner package, including appetizer, entree, dessert and coffee, at a reduced price. Debruyne took advantage of his restaurant's proximity to many Washington theaters by advertising his special as a pre-theater dinner. His restaurant, he says, is now usually filled as soon as it opens.

At the Upperline Restaurant, a small bistro in New Orleans, LA, owner Jason Clevenger also has instituted an "early bird" dinner special. "If people are making an occasion out of their meal, they usually won't show up until 7:00 p.m. or later," he maintains. "So our 'early bird' special consists of entrees on our regular menu served in smaller portions at a reduced price. It is geared toward people who are in a hurry to get someplace else; they don't want to make a big production out of their meals. And," he adds, "because they have places to go, they tend to spend less time in the restaurant. By the time our regular dinner rush begins, most of our 'early bird' diners are gone."

Charles [illegible] owner of the Brass Kettle Family Restaurant on Cape Cod, MA, says his "early bird" special helped him build business two ways. It filled the restaurant during hours which had previously been slow, and it helped the restaurant attract Cape Cod's large population of senior citizens, many of whom take advantage of such a promotion. "Once they got to know the restaurant, they began boosting business during other periods of the day, such as breakfast and lunch," he says.

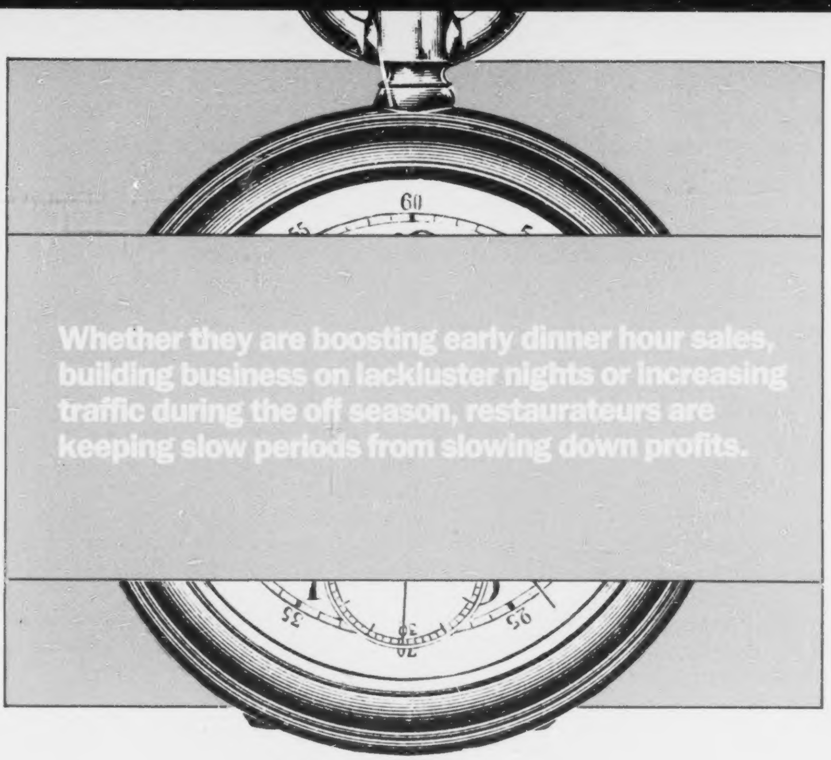
Late night specials are another way operators are either extending their dinner hours or building lounge or bar business. Robert Clifford, owner of the Gourmet House in Bismarck, ND, began offering $1.00 burgers in his lounge after 10:00 p.m. each evening as a promotion to celebrate the restaurant's 25th anniversary. The success of the promotion in attracting new business during previously slow hours was so overwhelming that Clifford says he's decided to extend the discount indefinitely.

Building business during weekly lulls . . .

Many dining rooms and lounges that enjoy a good business on Thursday, Friday and Saturday nights are left empty at the beginning of the week. "On an average day, we've always used time productively and maintained business as much as possible," reports Wayne Clark, assistant manager of H.D. Hotspur's in Kent, WA. "However, we did observe a problem with certain nights of the week, Sundays in particular, that were consistently off."

Clark says H.D. Hotspur's rose from the Sunday night doldrums by instituting a weekly lip sync contest. The restaurant began the contest more than two years ago, bringing in performers and giving customers a chance to get into the act. "We've been consistently packed ever since," notes Clark. "Sundays are now one of our busiest nights."

This idea of using contests and specials is being used in establishments across the country with similar success. Callaghan's, a restaurant in Towson, MD, offers discounted shrimp specials on Tuesday nights and big screen cable TV viewing on Sundays and Mondays. Periodic Tuesday nights at Shenanigan's (Hazelton, PA) are called "Taco Tuesdays," and tacos are sold for under a dollar each. At the Georgian House on Monday evenings, patrons can order a discounted liver platter special. Even though many people would put liver on their



Whether they are boosting early dinner hour sales, building business on lackluster nights or increasing traffic during the off season, restaurateurs are keeping slow periods from slowing down profits.

"don't like list," this special makes sense for the Georgian House. Explains general manager Bob Wiepert, "We have a lot of senior citizens in this area, and a lot of them like liver. The special has really helped our Monday night business."

According to Dante Alexander, food and beverage director at the Mount Laurel Hilton Hotel (Mount Laurel, NJ) the hotel's upscale restaurant faces a problem that is just the opposite of many foodservice establishments. "We're always busy on weekdays," Alexander says. "But on the weekends the business travellers who stay at the hotel go home. Saturdays and Sundays are our slowest days."

So Alexander combatted the problem two ways: First, he joined an area diner's club, which offers club members who purchase one entree at regular price a lesser-priced entree free of charge. "This greatly increased our patronage among the local community," he maintains.

Second, he boosted weekend afternoon business by promoting the hotel as an ideal place to hold wedding or baby showers. "We determined that women would be most likely to respond to a promotion held on Saturday or Sunday afternoons," he explains. "And who can resist brides and babies?" So the chefs at the Mount Laurel Hilton created a special shower menu, which was featured in a brochure and mailed to potential customers. Alexander reports that the promotion has taken the bite out of the weekend lulls; now space for showers is sometimes booked weeks in advance.

Turning on the off season . . .

Although seasonal slumps seem to present a greater challenge, business-building promotions can make a difference during those times as well.

One way is by striving all year long to gain the loyalty of the local community. Charles Cifelli of the Brass Kettle Family Restaurant believes that his business could not survive Cape Cod winters were it not for the loyal patronage of year-round residents. He says he's gained that loyalty by establishing an exclusive club for year-rounders. "Club members receive cards which entitle them to priority service—preferred seating and special discounts—all year long," he explains. "These cards can only be purchased during the off-season—between October and April. The cards say to my customers, 'You didn't forget about me in November or December so I won't forget about you in July and August just because I have a line going out the door.' " Cifelli also hosts special party promotions during the winter. In early March, for instance, he sponsored a series of international nights, introducing New Englanders to exotic French, Italian, Western and Cajun cuisines.

At three of Eugene Chismer and Jay Naparlmo's Virginia Burger Kings, the partners have introduced an off-season promotion that is something of a novelty among fast food establishments. On weeknights throughout the winter, the Burger Kings in Williamsburg, Chesapeake and Hampton, VA, feature live entertainment. Ballad singers at each location set up their guitars in the middle of the dining room and play for a few hours each evening. Says Chismer, "The promotion has generated a lot of publicity. In some cases, the musicians, most of whom are just getting started, have developed a following as a result of their appearances at Burger King. We had one duo that packed the place for two weeks."

Like Cifelli, Chismer developed the promotion as a way to "thank the local trade for their year-round loyalty." In past winters, the partners have offered candlelight dining to their customers, complete with white tablecloths, complimentary cake and congenial tableside service.

Alex von Bidder, general manager of New York City's posh Four Seasons restaurant, builds off-season business by tying a promotion to one of the restaurant's busiest seasons—Christmas. "We send out personalized Christmas cards to a select mailing list," explains von Bidder. "On the front of the card is a picture of a bottle of champagne. Inside, we tell them that we've put on ice a special bottle of our champagne for their enjoyment during January or February. Our customers are delighted with the special attention."

Finally, not all restaurants experience seasonal slumps during the winter months. Jason Clevenger of the Upperline Restaurant says summer is the slow season in New Orleans. "Fortunately, the city sponsors a lot of street festivals in the summertime," he says. "We make a point of participating in order to gain exposure among locals. We also step up our advertising in local dailies."

In sum . . .

Occasional slow periods are inevitable in the restaurant business. In fact, many operators would argue they are necessary. However, most would also agree that a fine line is drawn between necessary "breathing space" and problematic slumps—a line that a few carefully targeted promotions keep in the operator's control. ❑

Fisher's Law #64

What a way to go!

I am a frequent air traveler and have been for many years. When you become familiar with something, you get to know the procedures and the systems, and you can sense what's occurring. I fell asleep on a recent flight, had a dream, and thought you might enjoy hearing about it.

It all started when the stewardess began to address the passengers just prior to takeoff. "Good morning, ladies and gentlemen. I'd like to welcome you aboard Southeast Occident Airlines Flight 13. My name is Fifi la Rue, and I am your chief stewardess. Assisting me in the cabin are Stu Street and Sue Strasse. Our aircraft is under the control of Captain Marvel, our co-pilot is Pontius, and our navigator is Corrigan.

"I'd like to take a few minutes to describe our flight procedures to you. In order to fasten your seat belt, take the flat metal piece and insert it into the buckle after lifting, and then release the faceplate. If this doesn't work, take the left hand strap and cross over and under the right hand strap and pull the two ends tight. If the straps are long enough and you are thin enough, you may want to continue fastening your seat belt by forming a bow knot with your straps.

"You will notice that there is a bag located in the seat back pocket immediately in front of you. This is a doggie bag for you to take home the unfinished portion of the sumptuous box lunch we will be serving you just prior to landing.

"Our movie today is 'Lost In Space,' and we have a selected short subject as well, entitled 'The Parachute Packer's Picnic'. There is no charge for the movie, although there is a slight $3.00 charge for the earphones. We will be coming through the cabin shortly with our beverage service, so if you wish to use the wash room you should do so now, or you may be standing in the aisles for quite some time waiting to get back to your seat. We will be selling soft drinks for $2.50 each, coffee and tea for $2.00 and beer and wine for $1.50. Hard drinks are complimentary."

A few minutes later the captain came on the squawk box. "Good evening, ladies and gentlemen, Captain Marvel there, or er . . . here. I'd like to thank you for flying with ah . . . with ah . . . our airline today. I'd also like to apologize for the delay we've experienced. It's really the result of a combination of factors, the ah . . . government, the ah . . . control tower, the ah . . . ground crew, the ah . . . the weather, and ah . . . my alarm clock. We are now headed for ah . . . for ah . . . for our destination. Our new estimated time of arrival is next Thursday, but if we keep this tail wind and don't experience much traffic, we might be able to make up a little time and possibly arrive a few days early. I'll be pointing out a few ground landmarks as we proceed with the flight, and for those of you who may be sleeping when that occurs, just pay no attention. I would recommend that you keep your seat belts fastened while in your seats, for when we are at an altitude of ah . . . of ah . . . of significance, it is possible we could run into ah . . . run into ah . . . some clear air turbulence. The temperature at ah . . . at our destination, is ah . . . seasonal, and the visibility is ah . . . is ah . . . is foreseeable. Your co-pilot, Pontius, and I will be back in the cabin at the same time to visit with you a little later. But for now, just sit back, relax and enjoy this ah . . . this ah . . . this flight."

Just prior to landing, Fifi made the following announcements. "Ladies and gentlemen, we are beginning our preparation for landing at this time. Please take all your belongings from the seat floor in front of you and place them in the overhead compartment. Please be sure that your seatbelt is in the raised, forward and locked position and that your seat tray is fastened securely around you. We'd like to thank you for flying Southeast Occident Airlines today. We hope that when your plans call for air travel once again, you will consider flying some other airline, any other airline. Have a pleasant day in this . . . this . . . this fine city, or wherever your final destination may be.

"We wish to remind you that the aircraft will not stop until we reach our gate, but we fully realize that many of you are in a hurry. So if you want to rush forward and stand by the door while we are taxiing, that's fine. Just be careful not to spill your beverages on other passengers. This is the termination of . . . of . . . of . . . this flight, and for those of you who thought we were continuing on to . . . to . . . to the next place, please see the ground attendant for rebooking. Our ground attendant can be found in sub-basement level 3-B next to the lost and found office."

When taxiing to the terminal, Captain Marvel came on again. "Ah . . . ah . . . ladies and gentlemen, we've arrived a few days early and, on occasion, when this happens, ah . . . ah . . . there is not a gate open for us. That being the case, we ah . . . we ah . . . we are going to the penalty box until we get clearance for a gate. I estimate that we may recieve clearance for ah . . . for ah . . . Thursday. Have a pleasant ah . . . ah . . . day."

***FISHER'S LAW #64:* "Whoever said getting there is half the fun was only half right. As with many things in life, getting there is a challenge."**

Small Business

The IRS conducts workshops to help small business owners understand their tax rights and responsibilities. Contact the IRS for information.

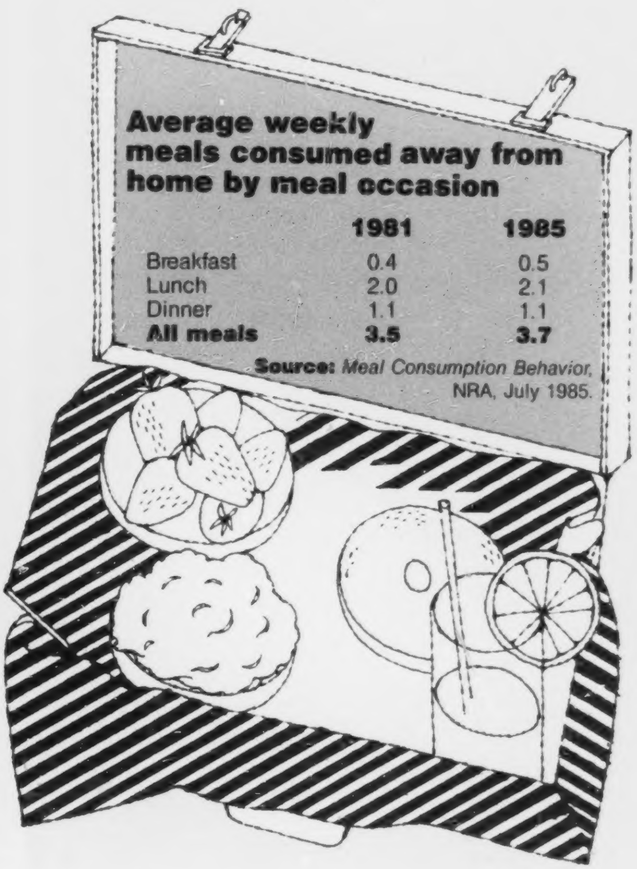
BAKERY
JOE'S ELECTRONICS

A PUBLIC SERVICE MESSAGE FROM THE INTERNAL REVENUE SERVICE

NRA survey report

Consumers eat out more in 1985

The National Family Opinion, Inc. queried a sample of its household panel members about where their meals were prepared in the seven days prior to the survey—prepared at home, prepared commercially at a restaurant or cafeteria or skipped.



Average weekly meals consumed away from home by meal occasion

	1981	1985
Breakfast	0.4	0.5
Lunch	2.0	2.1
Dinner	1.1	1.1
All meals	**3.5**	**3.7**

Source: *Meal Consumption Behavior,* NRA, July 1985.

The typical person, eight years old or older, consumes 3.7 meals per week away from home, up from 3.5 meals in 1981, according to a recent consumer survey commissioned by NRA.*

The actual number of breakfasts, lunches and dinners purchased each week from restaurants in 1985 equals 770 million, an 8.2 percent jump from 1981. This represents a real gain of 4.5 percent after adjusting for the 3.7 percent increase in the number of Americans age eight or older.

Lunch is the most likely meal to be eaten away from home, while breakfast is the least likely. Respondents reported eating commercially prepared food for lunch 2.1 times during the survey week versus 1.1 times for dinner and 0.5 times for breakfast. In comparison, consumers ate five breakfasts, four lunches and five dinners either at home or at a friend's home.

Consumers are purchasing meals away from home more frequently now than in 1981. More than half (54 percent) the respondents stated they had eaten commercially prepared food for lunch at least once in the week prior to the survey versus 51 percent in 1981. Forty-nine percent reported they had eaten dinner in a restaurant at least once during the seven- day survey period, up slightly from 47 percent in 1981, and 18 percent said they had eaten breakfast away from home at least once during the survey period, compared with 15 percent in 1981.

However, the proportion of all weekly meals prepared at home, prepared commercially or skipped remained constant between

1985 meal period highlights

Breakfast

- Eighteen percent of all individuals purchased food at a restaurant or cafeteria for breakfast at least once in the seven-day survey period.
- Individuals consumed, on average, 0.5 breakfasts away from home.
- The average individual skipped 1.5 breakfasts.

Lunch

- Fifty four percent of all individuals consumed commercially prepared lunches at least once during the survey period.
- Individuals consumed, on average, 2.1 lunches away from home.
- The average individual skipped only 0.6 lunches.

Dinner

- Forty nine percent of all individuals consumed commercially prepared dinners at least once in the one-week survey period.
- Individuals consumed, on average, 1.1 dinners away from home.
- The average individual skipped a mere 0.1 dinners.

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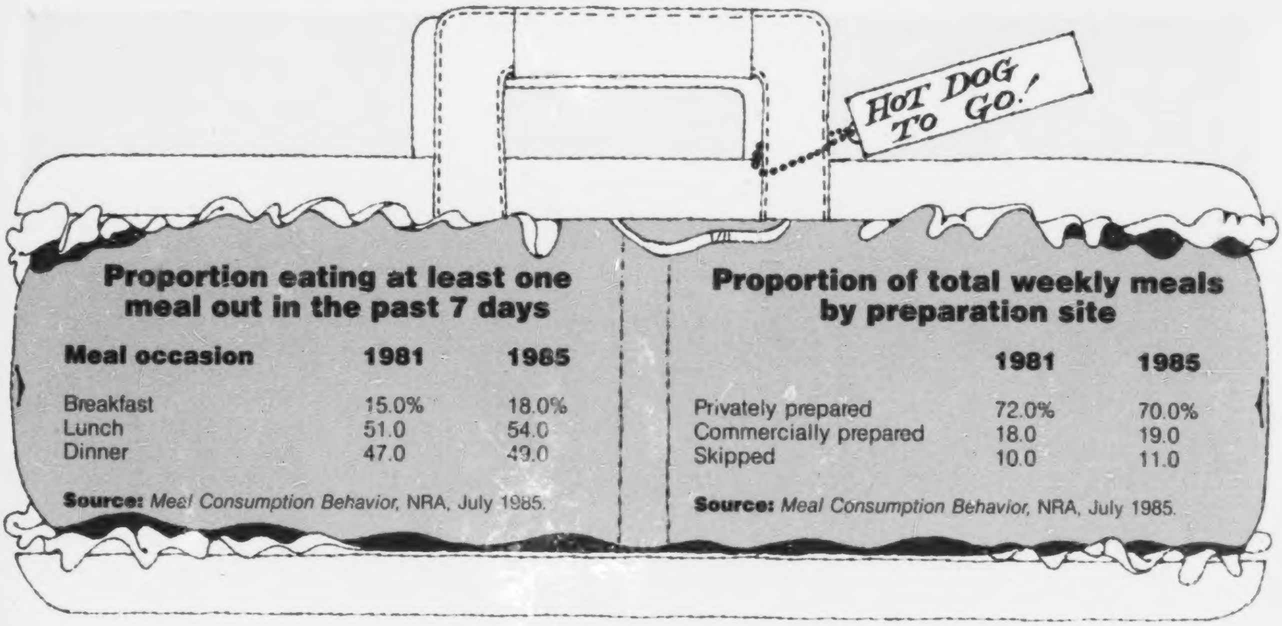
* In March 1985, the National Restaurant Association commissioned National Family Opinion, Inc. to survey individuals about where their meals are prepared and which meals, if any, they skip during a seven day period. On March 1, 1985, survey cards were mailed to a participating survey panel consisting of 10,000 households. By April 4, 1985, the official closing date, 6,788 households representing 14,255 individuals eight years old and older had returned the survey cards. Household members were asked to record for the past seven days, for the five oldest household members (age 8 or over and living at home), the number of meals prepared privately at home (or a friend's home), prepared commercially (in a restaurant or school/work cafeteria) or skipped.


HOT DOG TO GO!

Proportion eating at least one meal out in the past 7 days

Meal occasion	1981	1985
Breakfast	15.0%	18.0%
Lunch	51.0	54.0
Dinner	47.0	49.0

Source: *Meal Consumption Behavior*, NRA, July 1985.

Proportion of total weekly meals by preparation site

	1981	1985
Privately prepared	72.0%	70.0%
Commercially prepared	18.0	19.0
Skipped	10.0	11.0

Source: *Meal Consumption Behavior*, NRA, July 1985.

1981 and 1985. Of all weekly meals in 1985, seven out of 10 were prepared at home or at a friend's home, two out of 10 were prepared commercially (at restaurants, fast food/take out places or school/ work cafeterias) and one out of 10 was skipped. These approximate the proportions in 1981.

Men eat away from home more often . . .

For all meal occasions, men are more likely than women to eat away from home. In a typical week men will purchase 4.2 meals from a restaurant or cafeteria and women will purchase 3.4 meals.

More men will eat lunch out in a typical week as well. Male respondents reported purchasing restaurant food for lunch 2.4 times a week versus 1.9 times for female respondents. In fact, 56 percent of the men surveyed said they had purchased at least one lunch during the survey period from a restaurant or fast food place. In comparison, the proportion for women was a somewhat lower 51 percent. A similar pattern holds true for breakfast and dinner. Slightly more than half the men reported at least one dinner away from home versus 48 percent of the women. For breakfast away from home the proportions are 21 percent for men and 16 percent for women.

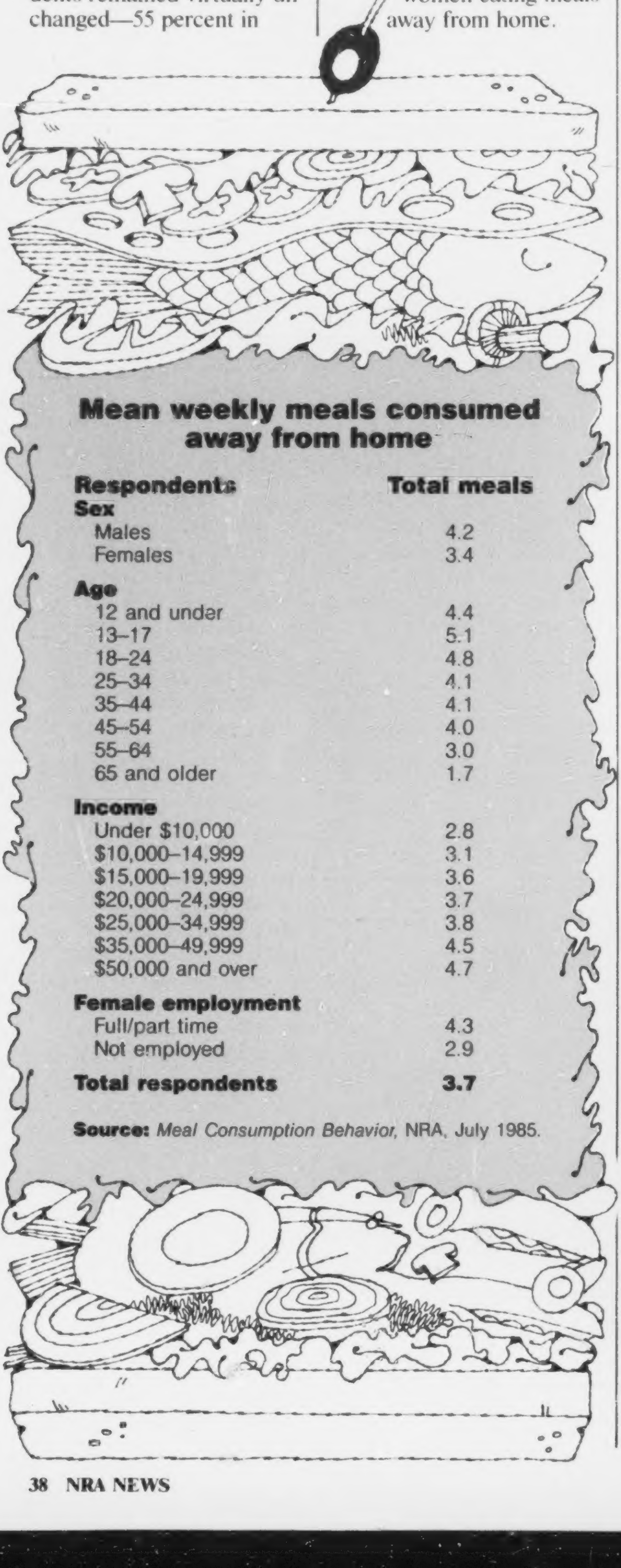
Nevertheless, women have increased their eating out occasions considerably more than have men in recent years, and this is especially true for lunch. In 1981, 46.4 percent of the female respondents re-

Proportion who reported eating at home, at restaurants and skipping meals

Meal Occasion	Privately Prepared	Commercially Prepared	Skipped
Breakfast			
At least once	79.9%	18.0%	29.2%
1–2 times	8.4	10.7	5.8
3–4 times	6.1	3.1	4.7
5–7 times	65.4	4.2	18.7
None	20.2	82.0	70.7
Lunch			
At least once	78.0%	53.6%	17.5
1–2 times	18.6	18.5	8.4
3–4 times	9.6	8.5	3.1
5–7 times	49.8	26.6	6.0
None	22.0	46.3	82.5
Dinner			
At least once	91.8%	48.8%	5.1%
1–2 times	3.3	33.8	3.7
3–4 times	10.5	9.5	0.7
5–7 times	78.0	5.5	0.7
None	8.2	51.2	94.8

Source: *Meal Consumption Behavior*, NRA, July 1985.

ported at least one commercially prepared lunch, and in 1985 this proportion jumped to 51 percent. The proportion for male respondents remained virtually unchanged—55 percent in 1981 and 56 percent in 1985. The continued rise in the number of working women is primarily responsible for the increase in women eating meals away from home.



Mean weekly meals consumed away from home

Respondents	Total meals
Sex	
Males	4.2
Females	3.4
Age	
12 and under	4.4
13–17	5.1
18–24	4.8
25–34	4.1
35–44	4.1
45–54	4.0
55–64	3.0
65 and older	1.7
Income	
Under $10,000	2.8
$10,000–14,999	3.1
$15,000–19,999	3.6
$20,000–24,999	3.7
$25,000–34,999	3.8
$35,000–49,999	4.5
$50,000 and over	4.7
Female employment	
Full/part time	4.3
Not employed	2.9
Total respondents	**3.7**

Source: *Meal Consumption Behavior*, NRA, July 1985.

Working women more likely to eat out . . .

For all meal occasions, women, who are employed either full time or part time, eat more restaurant meals than do females who are not employed or who are retired. In a typical week, working women consume 4.3 meals away from home versus 2.9 meals for women who do not work outside the home. Interestingly, working women consume slightly more meals away from home than do all men—4.3 versus 4.2.

Nearly one-fourth of the employed women purchased restaurant food for breakfast at least once during the survey week versus only 13 percent for those who are not employed. Three out of five working women ate lunch out at least once during the survey period, compared with a lower two out of five nonworking women. The pattern for the evening meal is similar. Fifty-four percent of working women ate dinner in a restaurant at least once in the seven-day period versus only four out of 10 for those who do not work outside the home.

Young adults eat out frequently . . .

Young adults between the ages of 18 and 24 eat more meals away from home than do members of any other age group. In one week, individuals in this age group consumed 4.8 meals away from home, compared with 3.7 meals for all consumers. These young adults are especially likely to purchase restaurant foods for lunch—six out of 10 do so at least once a week. On the other hand, senior citizens consumed the fewest meals away from home—1.7 restaurant meals during the survey week.

Individuals between the ages of 35 and 44 tend to purchase breakfast and dinner away from home more frequently than do other

For more information

For those interested in additional information about individual meal consumption behavior, the National Restaurant Association has made available a more detailed report that examines the eating patterns of various demographic segments of the population. *Meal Consumption Behavior* presents an in-depth analysis of meal consumption behavior by age, sex, household characteristics and the employment status of women.

The cost to NRA members is $12.50 (plus $2.00 shipping and handling), and the cost to non-members is $25.00 (plus $2.50 shipping and handling). Residents of Washington, DC, must add six percent sales tax and Illinois residents must add seven percent. Chicago, IL residents must add an additional one percent sales tax, bringing their sales tax total to eight percent.

To order, contact NRA, 311 First St., N.W., Washington, DC 20001, or call (800) 424-5156 or (202) 638-6100. Payment must accompany all orders. Credit card telephone orders are accepted. Please specify order number CS 100 when placing your order.

groups. Twenty-three percent of the respondents from this age group reported having eaten a commercially prepared breakfast at least once in the past seven days, and approximately six out of 10 ate dinner in a restaurant at least once. On the other hand, only 8.8 percent of senior citizens consumed a commercially prepared breakfast at least once, and less than one-third reported having eaten dinner out.

Breakfast skipped . . .

Consumers participating in this survey skipped an average of 1.5 breakfasts, 0.6 lunches and 0.1 dinners during the seven-day survey period. Singles and working women skipped the most meals, 2.8 and 2.4, respectively, compared with 2.2 meals for all respondents. In addition, 36 percent of the single respondents and one-third of the working women reported skipping breakfast at least once during the week prior to the survey. Nearly one-fourth (24 percent) of singles skipped lunch at least once, and 12 percent skipped dinner at least once during the survey period. Furthermore, in the past week, approximately one in five working women (19 percent) stated that they had skipped lunch at least once, and six percent reported skipping dinner at least once.

More people skip breakfast than any other meal of the day. Nearly one-third of all respondents reported they had skipped breakfast at least once in the seven-day survey period. In comparison, only 17 percent reported skipping lunch, and fewer than one in 10 individuals skipped dinner at least once during that same week. *—Sallie Adams*

1982 Census update

Larger restaurant firms make inroads

- **The restaurant industry, once dominated by small, independent restaurants, has gradually transformed into one in which large, multi-unit operations account for a growing share of restaurant units and sales.**
- **The number of restaurant firms with sales over one million dollars has grown significantly during the last decade.**
- **The 50 largest restaurant firms have captured an increasing proportion of units and sales.**
- **A growing number of firms have decided to incorporate, marking a movement away from sole proprietorships.**

This article spotlights "establishment and firm size" data from the 1982 Census of Retail Trade *for eating places, restaurants and lunchrooms (outlets which offer tableservice) and refreshment places (limited menu, fast food establishments which generally do not offer tableservice). Included is information on the sales size of firms, single unit and multi-unit firms and sales size of establishments, as well as similar data from both the 1972 and 1977 Census.* The statistics shown here are for eating places with payroll only and do not include "mom and pop" operations having no paid employees.*

Large restaurant firms capture greater share of units and sales . . .

In 1982, 90 companies with sales of $50 million or more, represented 12.5 percent of eating place units and 24.4 percent of sales. Five years earlier, there were only 59 firms of this size in operation, accounting for a smaller 8.2 percent of eating place units and 18.7 percent of sales. In 1972, only 30 firms with sales of $50 million or more were in business, representing a modest 4.3 percent of eating place units and a mere 10.8 percent of sales.

Other sales size highlights:

- More than eight in 10 restaurant firms operating in 1982 had sales under $500,000, representing the lion's share of eating place units and sales—62.5 percent and 25.8 percent, respectively. However, in 1977, more than nine out of 10 restaurant companies reported sales below $500,000, and they captured an even larger 77.4 percent of units and 40.7 percent of sales.
- Restaurant and lunchroom companies with sales of $50 million or more accounted for 7.4 percent of units and 15.8 percent of sales in 1982. In comparison, these firms represented a more modest 4.3 percent of restaurant and lunchroom units and 9.6 percent of sales in 1977.

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* NRA's information and research department has additional information from the 1982 Census for cafeterias and other eating places (food contractors as well as ice cream and frozen custard stands). Data on the concentration of firms, the legal organization of firms and employment size of establishments are also available. You may obtain this information by writing NRA's Information Service and Library, 311 First Street, N.W., Washington, DC 20001.

- In 1982, smaller restaurant and lunchroom firms, those with sales under $500,000, captured 69.5 percent of eating place units and 29.5 percent of sales. Ten years earlier, however, firms of this size captured a considerably higher 90 percent of units and 60.8 percent of sales.
- Larger fast food firms, those with sales of $50 million or more, represented a greater percentage of units and sales in 1982 than in prior years—13.3 percent and 25.7 percent, respectively.
- Smaller companies continued to dominate the fast food segment, although their share of the market is slipping. Eighty-four percent of these firms had sales under $500,000 in 1982 versus 96.9 percent in 1977.

Multi-unit firms gain ground . . .

Multi-unit firms are gaining an increasing share of restaurant units and sales. Firms with 25 or more units captured only 8.5 percent of eating place units and 14.7 percent of sales in 1972; just 10 years later, however, these companies constituted a considerably larger 14.6 percent of eating place units and 27.4 percent of sales.

Other unit size highlights:

- Independent restaurant firms (those operating only one unit and not affiliated with a franchise company) accounted for a whopping 94.5 percent of all eating place companies in 1982, 72.4 percent of all units and 52.1 percent of sales. In addition, according to information available for the first time, single unit firms that are part of a multi-unit franchise accounted for 1.2 percent of all restaurant companies, 0.9 percent of units and 1.6 percent of sales.
- Multi-unit restaurant and lunchroom companies with 25 or more units captured 8.1 percent of the restaurant and lunchroom units and 17.5 percent of sales in 1982. In 1977, these firms accounted for a more modest 5.8 percent of units and 13.2 percent of sales.
- In 1982, restaurant and lunchroom companies with only one unit represented 83.5 percent of units and 65.5 percent of sales. Single-unit firms affiliated with

Sales size of eating place firms (1977 and 1982)

	Percent of firms		Percent of units		Percent of sales	
Sales range	**1977**	**1982**	**1977**	**1982**	**1977**	**1982**
Under $500,000	92.3%	82.4%	77.4%	62.5%	40.7%	25.8%
$500,000 to $999,999	5.2	10.5	5.5	9.1	14.8	14.5
$1,000,000 to $4,999,999	2.3	6.4	5.1	9.4	16.4	22.4
$5,000,000 to $9,999,999	0.1	0.4	1.4	2.3	3.6	4.8
$10,000,000 to $49,999,999	0.1	0.2	2.4	4.2	5.8	8.0
$50,000,000 and over	**	**	8.2	12.5	18.7	24.4

***Less than 0.1 percent*

Source: "Establishment and Firm Size," *1977 and 1982 Census of Retail Trade*, U.S. Department of Commerce, Bureau of the Census.

Sales size of restaurant and lunchroom firms (1977 and 1982)

	Percent of firms		Percent of units		Percent of sales	
Sales range	**1977**	**1982**	**1977**	**1982**	**1977**	**1982**
Under $500,000	89.9%	80.4%	81.5%	69.5%	44.8%	29.5%
$500,000 to $999,999	7.0	12.4	6.9	11.2	18.1	18.6
$1,000,000 to $4,999,999	2.9	6.7	4.3	8.0	18.1	24.9
$5,000,000 to $9,999,999	0.1	0.3	1.0	1.2	3.3	3.9
$10,000,000 to $49,999,999	**	0.2	2.0	2.6	6.1	7.2
$50,000,000 and over	**	**	4.3	7.4	9.6	15.8

***Less than 0.1 percent*

Source: "Establishment and Firm Size," *1977 and 1982 Census of Retail Trade*, U.S. Department of Commerce, Bureau of the Census.

Sales size of refreshment place firms (1977 and 1982)

	Percent of firms		Percent of units		Percent of sales	
Sales range	**1977**	**1982**	**1977**	**1982**	**1977**	**1982**
Under $500,000	96.9%	84.4%	68.9%	57.5%	37.0%	24.3%
$500,000 to $999,999	2.3	8.5	6.4	7.6	13.3	11.8
$1,000,000 to $4,999,999	0.7	6.3	8.0	11.6	17.0	22.3
$5,000,000 to $9,999,999	0.5	0.5	2.6	3.6	5.0	6.1
$10,000,000 to $49,999,999	**	0.3	3.7	6.4	5.6	9.7
$50,000,000 and over	**	**	10.4	13.3	22.2	25.7

***Less than 0.1 percent*

Source: "Establishment and Firm Size," *1977 and 1982 Census of Retail Trade*, U.S. Department of Commerce, Bureau of the Census.

a franchise organization accounted for an additional 1.5 percent of units and 2.7 percent of sales.

- Fast food firms with 25 or more units accounted for 17.6 percent of fast food units and a significant 31.2 percent of sales in 1982. In contrast, these companies represented a smaller 14.9 percent of units and 28.3 percent of sales five years earlier.
- Independent quick service firms (single unit operations not affiliated with a franchise company) captured 63.1 percent of units and 40.9 percent of sales in 1982, and single units owned by a franchisee accounted for 1.2 percent of units and 1.4 percent ofsales.

More restaurant establishments posted sales over one million dollars in 1982 . . .

A considerably larger number of eating place establishments posted sales of one million dollars or more in 1982. These operations accounted for 7.6 percent of all eating place units and one-third of sales. In contrast, restaurants with sales over one million dollars represented a mere 3.2 percent of units and 19.7 percent of eating place sales in 1977 and captured a scant 0.8 percent of units and a modest 10.5 percent of sales in 1972.

Single unit and multi-unit eating place firms (1982)

Number of units	Percent of firms	Percent of units	Percent of sales
Single units	94.5%	72.4%	52.1%
Multi-units	5.5	27.6	47.9
1 establishment	1.2	0.9	1.6
2 establishments	2.2	3.3	4.6
3–9 establishments	1.7	5.7	9.0
10–24 establishments	0.3	3.1	5.2
25 and more establishments	0.1	14.6	27.4

Source: "Establishment and Firm Size," *1982 Census of Retail Trade*, U.S. Department of Commerce, Bureau of the Census.

Single unit and multi-unit restaurant and lunchroom firms (1982)

Number of units	Percent of firms	Percent of units	Percent of sales
Single units	95.9%	83.5%	65.5%
Multi-units	4.1	16.5	34.5
1 establishment	1.7	1.5	2.7
2 establishments	1.4	2.4	4.1
3–9 establishments	0.8	2.9	6.3
10–24 establishments	0.1	1.5	4.0
25 and more establishments	0.1	8.1	17.5

Source: "Establishment and Firm Size," *1982 Census of Retail Trade*, U.S. Department of Commerce, Bureau of the Census.

Single unit and multi-unit refreshment place firms (1982)

Number of units	Percent of firms	Percent of units	Percent of sales
Single units	91.5%	63.1%	40.9%
Multi-units	8.5	36.9	59.1
1 establishment	1.8	1.2	1.4
2 establishments	3.1	4.3	5.5
3–9 establishments	3.0	9.0	13.5
10–24 establishments	0.5	4.8	7.5
25 and more establishments	0.2	17.6	31.2

Source: "Establishment and Firm Size," *1982 Census of Retail Trade*, U.S. Department of Commerce, Bureau of the Census.

Other sales highlights:

- There were fewer eating place establishments with sales under $500,000 in 1982. These establishments captured almost 77 percent of units and 36.7 percent of eating place sales. In 1972, however, these restaurants represented a larger 96 percent of the eating place units and nearly 72 percent of sales.
- In 1982, restaurant and lunchroom establishments with sales over one million dollars constituted 8.7 percent of units and almost 38 percent of sales. In comparison, these million dollar operations accounted for only half as many units (4.0 percent), and 23 percent of sales in 1977.
- Restaurants and lunchroom establishments with sales of $500,000 or less captured a whopping 94.3 percent of units and 67.4 percent of sales in 1972. Ten years later, these operations accounted for only three-fourths of restaurant and lunchroom units and 35 percent of sales.
- Fast food establishments with sales over one million dollars represented a greater proportion of fast food units and sales in 1982—5.9 percent and 23.6 percent, respectively.
- In 1982, quick service establishments with sales less than $500,000 represented 77.4 percent of total fast food units and 41.7 percent of sales, compared with 1977 when these operations accounted for slightly over 88 percent of the units and 60 percent of sales.

—Susan Adelman

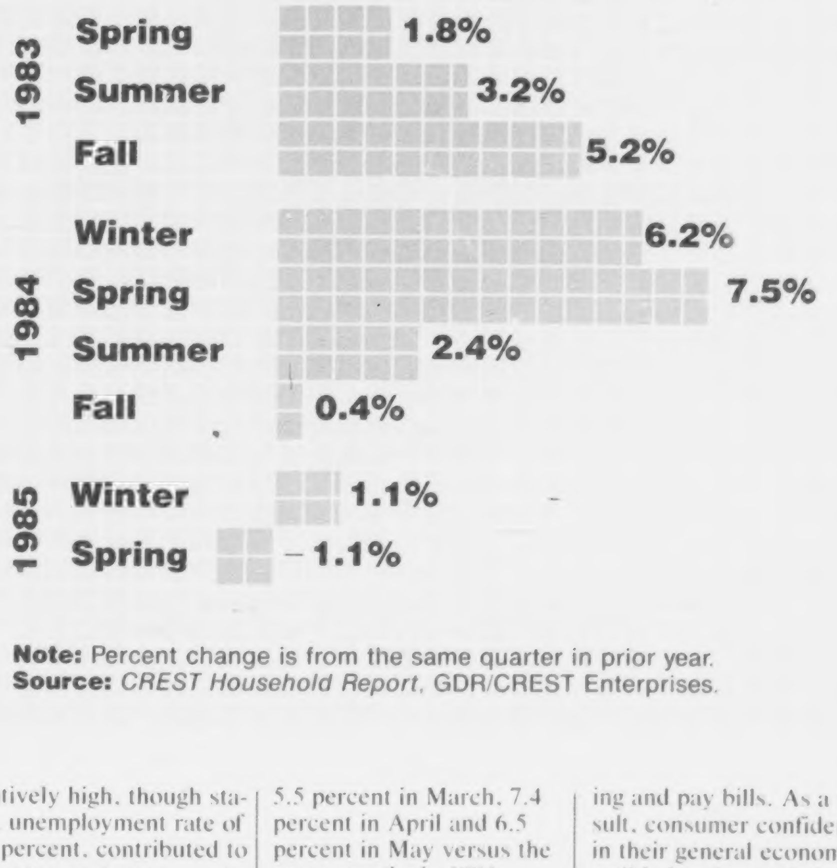
March-April-May

CREST Report

Spring quarter highlights:

- **Customer traffic:** Declined 1.1 percent.
- **Sales:** Edged up 0.9 percent.
- **Visit frequency:** Increased 0.8 percent.
- **Average check size:** Moved up 2.1 percent.
- **Restaurant types:** *Quick service customer traffic:* Advanced 2.5 percent.
  Upscale customer traffic: Declined 4.4 percent.
  Midscale customer traffic: Dropped 7.6 percent.
- **Meal periods:** *Breakfast customer traffic:* Increased 3.0 percent.
  Dinner customer traffic: Fell 1.2 percent.
  Lunch customer traffic: Dropped 4.0 percent.

Percent change in quarterly traffic
(spring 1983–spring 1985)



Note: Percent change is from the same quarter in prior year.
Source: *CREST Household Report*, GDR/CREST Enterprises.

Customer traffic falls 1.1 percent. . .

Customer traffic at the nation's restaurants declined 1.1 percent during the March-April-May quarter according to CREST's *Household Report*. This marks the first decline in traffic in more than two and one-half years, and follows positive, but modest, gains in the prior two quarters of 1.1 percent and 0.4 percent.

Less upbeat economic news, such as real GNP growth of only 0.3 percent in the first quarter and a relatively high, though stable, unemployment rate of 7.3 percent, contributed to this poor customer count performance. Many people were concerned about job stability, especially those employed in the industrial sector where lay offs and plant closings were common. However, estimates for real GNP during the second quarter of 1985 reveal that the economy is now growing at a higher, but still sluggish, 1.7 percent annual rate. In addition, retail sales have perked up since February 1985, jumping 5.5 percent in March, 7.4 percent in April and 6.5 percent in May versus the same months in 1984.

Consumer confidence slips. . .

Relatively high unemployment rates and slower economic growth caused consumer confidence to falter in the spring quarter. In addition, delayed income tax returns caused many consumers to rethink their short term spending plans. Also, some took a look at their debt load and decided it was time to reduce spending and pay bills. As a result, consumer confidence in their general economic well-being dropped significantly in March, rebounded in April and dropped again in May.

However, despite lagging confidence and high unemployment, personal income rose 0.5 percent in March and jumped 1.0 percent in April. Personal income then declined 0.5 percent in May. Additionally, inflation rose at a moderate pace during the March-April-May period—up an average 3.6 percent. This is a slight improvement over the 3.7 percent increase recorded in the winter quarter and the 4.1 percent advance posted in the fall quarter of 1984.

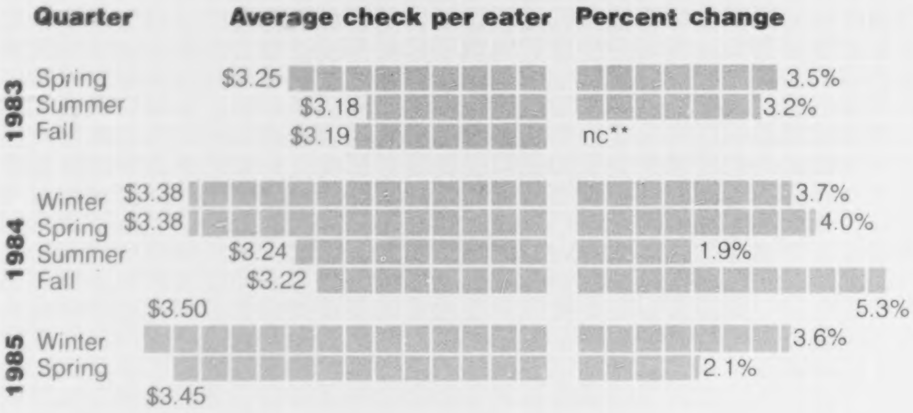
NRA is optimistic that the restaurant industry will grow at a healthy pace in 1985. Real eating place sales (adjusted for inflation) are expected to increase by about 3.0 percent in 1985. (A detailed revised forecast will be featured in the September ***NRA NEWS.***) The summer months should be especially strong due to moderately rising inflation, increased vacation travel and the continued rise of disposable personal income.

Households dine out more. . .

Households dined out more often in the spring quarter. Visit frequency—the average number of times families and singles visited restaurants—rose 0.8 percent. This is significantly less than the 3.0 percent advance recorded in the winter quarter, but it approximates the 0.9 percent gain posted in the fall period. On the other hand, the number of households that dined out at least once in the spring quarter was down 1.0 percent from the same quarter last year.

Visit frequency varies by industry segment with quick service restaurants posting the largest gain—3.9 percent. Upscale restaurants recorded a 0.9 percent decline in visit frequency, and midscale restaurants posted a larger 4.2 percent decrease. However, restaurant penetration—the actual number of households dining out at least once in the two-week period—declined for all three segments. Quick service restaurants reported a decline in penetration of only 0.2 percent while upscale and midscale restaurants posted decreases of 2.3 and 2.9 percent respectively.

Percent change in per person check*
(spring 1983–spring 1985)



* Based on average for two-week period.
** No change.
Note: Percent change is from the same period in prior year.
Source: *CREST Household Report*, GDR/CREST Enterprises.

Restaurant sales up 0.9 percent. . .

CREST sales edged up a slight 0.9 percent during the March-April-May quarter, the slowest rate of growth in more than two and one-half years. In comparison, sales advanced 4.7 percent in the previous quarter and were up a significant 11.8 percent in the spring of 1984.

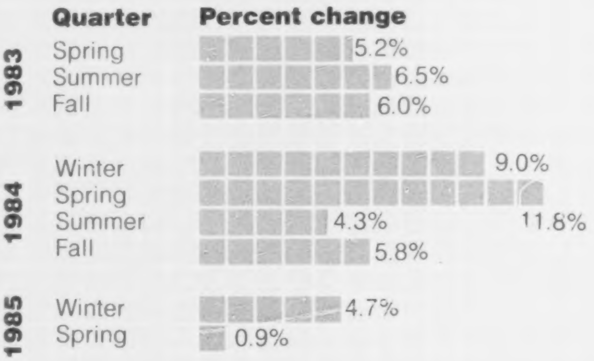
However, the average expenditure for a restaurant meal or snack—per person check size—rose only 2.1 percent in the spring quarter. This is less than the 3.9 percent gain recorded by the Consumer Price Index (CPI) for food-away-from-home during the March-April-May period. This difference may be due to the fact that participants in the CREST panel ordered fewer and less expensive menu items than in the prior year. Last winter the average check was up a higher 3.6 percent.

Breakfast traffic rises 3.0 percent. . .

Breakfast was the only major meal period in which traffic increased during the spring quarter, rising 3.0 percent over the 1984 spring quarter. Customer counts at dinner fell 1.2 percent, while lunch traffic declined 4.0 percent.

The advance in breakfast traffic is significantly less than the 14.2 percent increase recorded in the December-January-February period. It is also lower than the 6.5 percent advance posted in the fall quarter. The drop in lunch and dinner traffic may reflect consumer concern about their economic well-being as well as a slowing in discretion-

Percent change in quarterly CREST sales*
(spring 1983–spring 1985)



* Sales based on total U.S. average for two-week period each quarter.
Note: Percent change is from the same period in prior year.
Source: *CREST Household Report*, GDR/CREST Enterprises.

ary income growth.

Breakfast highlights:

- Sales for the morning meal rose 2.1 percent.
- The average check was $2.22 per person—down 0.9 percent.
- Visit frequency increased 5.4 percent, and the number of households purchasing breakfast away from home remained unchanged from the spring of 1984.

Lunch highlights:

- Lunch sales fell 3.2 percent.
- The per person check averaged $3.15—up 1.0 percent.
- The average number of times households ate lunch out fell 1.2 percent, and penetration declined 1.6 percent.

Dinner highlights:

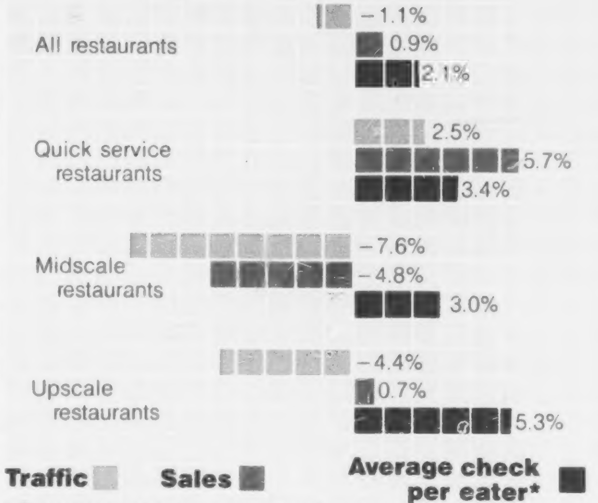
- Dinner sales advanced a moderate 2.2 percent.
- The average per person check increased 3.5 percent to $4.72.
- Visit frequency rose 1.9 percent, but penetration fell 2.9 percent.

Traffic increases at quick service restaurants. . .

Quick service restaurants recorded a 2.5 percent increase in customer counts during the March-April-May quarter, compared with decreases in traffic at the other two major restaurant groups. Traffic at upscale restaurants declined 4.4 percent, and customer counts at midscale restaurants were down 7.6 percent during the spring quarter.

Ethnic restaurants continue to do well in the quick service segment, and traffic also is up in the midscale ethnic restaurant category. In addition, customer counts at establishments specializing in ice cream and those specializing in barbecue made strong showings.

Spring quarter performance by restaurant segment



* The average check per eater for all restaurants also reflects information from unreported segments.

Note: Percent change from the same quarter in prior year.
Source: *CREST Household Report*, CREST NPD Research, Inc.

Quick service restaurant highlights:

- Sales at quick service establishments rose 5.7 percent. Increased traffic counts as well as increased visit frequency contributed to sales growth.
- The number of occasions on which promotions were used dropped to 12.5 percent from 14.0 percent in the spring quarter of 1984.
- Traffic at quick service restaurants edged up 2.5 percent. Significant advances in traffic at Oriental and barbecue restaurants helped boost customer counts for this segment.
- Customer counts at quick service ethnic restaurants advanced a significant 14.4 percent. Much of this growth is attributed to significant gains in traffic at both Mexican and Oriental establishments.
- Traffic at restaurants specializing in ice cream and donuts advanced 6.0 percent.

Upscale restaurant highlights:

- Upscale restaurant sales edged up 0.7 percent.
- Promotional usage increased considerably from 8.3 percent of all occasions in the spring quarter of 1984 to 9.4 percent of all occasions in the spring quarter of 1985.
- Traffic at upscale hotel restaurants declined 11.0 percent in the spring quarter versus a larger drop of 18.0 percent in the prior quarter.
- Customer counts at Mexican restaurants and fish restaurants reported the largest gains. However, traffic at upscale Oriental and steak establishments were down over the same quarter in the prior year.

Midscale restaurant highlights:

- Sales at midscale restaurants declined 4.8 percent.
- The number of occasions on which a promotion was involved increased slightly from 8.3 percent of occasions in the spring quarter of 1984 to 8.7 percent of occasions in 1985.
- Traffic at midscale ethnic restaurants increased 2.3 percent. The Italian restaurant segment posted the most impressive traffic gain.
- Although midscale restaurants posted a drop in customer counts of 3.2 percent, significant traffic gains were reported by two categories—barbecue and fish/seafood.

What is CREST?

Launched in September 1975, the CREST (Consumer Reports on Eating Share Trends) survey is designed to track expenditures and behavior in the commercial segment of the foodservice industry, including information by type and classification of restaurant and also by meal or snack period.

Approximately 10,000 families and 2,800 non-family households representing demographic patterns in the U.S. have been selected to participate in the study. Each household is asked to record every meal and snack experience during a particular two-week period for each of the four quarters of the year. Detailed entries are required for meals eaten or purchased away from home in establishments such as restaurants, hotels and motels, fast food/drive-ins, delicatessens, refreshment stands, carryouts, coffee shops, donut shops, ice cream shops or eating places inside variety stores or other retail stores. The diary does not include any meals eaten at schools, hospitals, colleges or other institutional feeding places.

CREST information can help restaurateurs compare their operation's performance with that of the total industry as well as with specific restaurant categories (quick service, midscale or upscale restaurants).

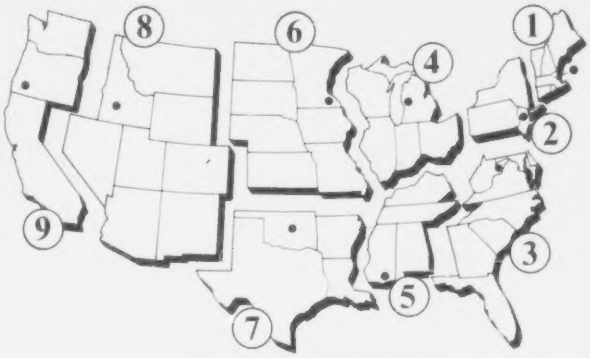
The CREST study can also provide valuable information concerning customer behavior, such as how much people spend, where they spend and when they spend. And, because it is an ongoing study, CREST information allows comparison against a standard—an aid in the development of trend analysis.

Readers wishing more information on the CREST study should contact GDR/CREST Enterprises, one of the NPD group of marketing and research companies, 1300 W. Higgins Rd., Park Ridge, IL 60068-5798.

How's business?

by Cecelia Niepold

Summer traffic has been unusually slow in several parts of the country due to lagging local economies, fewer foreign visitors and even unusual weather conditions. Some areas, however, continue to thrive.



1
NEW ENGLAND

Location: Salem, MA
NRA member: Joan Boudreau
Operation: The Lyceum
Profile: Fullservice restaurant
In business: 13 years
Seats: 300
Meals served: Lunch, dinner, weekend brunch

"Business could be a little better," says **Joan Boudreau,** owner of The Lyceum, an historic landmark in Salem, MA. Boudreau attributes the slow business to the strong U.S. dollar cutting into the usually lucrative Canadian tourist market.

The Lyceum's ambiance reflects its colorful history. During the 1800s the building was a well-known lecture hall featuring such personalities as Daniel Webster. Alexander Graham Bell also made the first public demonstration of the phone within its walls.

Today, the restaurant continues to have tie-ins with small lecture series and events, but the primary focus is the variety of food served: from lobster specials to filling sandwich combinations. A popular feature of the menu is the calorie breakdown section which offers calorie counts for various entrees.

2
MIDDLE ATLANTIC

Location: East Hanover, NJ
NRA member: Timothy Delaney
Operation: The Hornet's Nest
Profile: Family restaurant
In business: 4 years
Seats: 275
Meals served: Lunch, dinner

June is normally the best month at The Hornet's Nest. Graduation parties, engagement parties and other events really boost business. This summer has not been an exception: Sales are up 19 percent, according to owner **Timothy Delaney.**

Named after a local high school mascot, The Hornet's Nest has a neighborhood atmosphere. Focal points are bright stained glass windows illustrating neighboring towns and menu items named after local landmarks. Serving primarily Italian specialties, the restaurant is particularly known for its customized calzones—small loaves of bread stuffed to customers' liking.

As a special summer promotion, Delaney brought in a slush machine to create specialty icy drinks—both alcoholic and non-alcoholic. The refreshing concoctions are served in frosted glasses sporting The Hornet's Nest logo. These glasses will be given away at an end-of-the-summer "Big Chill" beach party hosted by Delaney.

3
SOUTH ATLANTIC

Location: Shepherdstown, WVA
NRA member: Kevin Connell
Operation: Yellow Brick Bank Restaurant
Profile: Fullservice restaurant
In business: 10 years
Seats: 80
Meals served: Lunch, dinner, Sunday brunch

"Business has been fairly steady; weekends have been particularly busy," says **Connie Stanley,** bar manager at the Yellow Brick Bank Restaurant. Situated in a small historic town about an hour and a half from Washington, DC, the restaurant receives a lot of "city escapees" during the weekends.

Located in a restored 1910 bank building, the restaurant offers visitors a nostalgic atmosphere with an art deco flavor. Big bay windows, white wicker booths and swirling ceiling fans add to the cozy charm.

Owner Kevin Connell has developed a creative

menu focusing on New American cuisine and fresh local products. A particular favorite is the sumptious Sunday brunch, featuring innovative combinations such as French toast made with cinnamon-flavored French bread and Virginia ham.

4

EAST NORTH CENTRAL

Location: Muskegon, MI
NRA member: Charles Meyers
Operation: The Gas Station
Profile: Fullservice restaurant
In business: 14 years
Seats: 100
Meals served: Lunch, dinner

"Although we're generally slow in the summer, this year has been better than last year," says **Sean Murphy,** working kitchen manager at The Gas Station. Healthy industries in the area have helped boost business.

Named after the gas station that once occupied the site, the only reminder of the restaurant's origins is the Corvette hanging on the wall.

Gourmet hamburgers and a full line of Mexican favorites are specialties. The restaurant, a step ahead of the times, has been featuring hamburgers with a variety of toppings for at least 10 years.

5

EAST SOUTH CENTRAL

Location: Biloxi, MS
NRA member: Tom Harvey
Operation: Cajun's Fabulous Fried Chicken
Profile: 3-unit fast food operation
In business: 6 years
Seats: 50 to 60
Meals served: Breakfast, lunch, dinner

According to **Tom Harvey,** co-owner of Cajun's Fabulous Fried Chicken, summer traffic has been about the same as last year. Business has been strong enough, though, to warrant building a fourth unit in the Mississippi area.

The restaurant's flagship is its spicy fried chicken. Cajun rice and fresh vegetables are served as accompaniments. Although basically a counter service operation, the chain also features a daily all-you-can-eat buffet during both breakfast and lunch.

6

WEST NORTH CENTRAL

Location: Winona, MN
NRA member: Lambert Kowalewski
Operation: Hot Fish Shop
Profile: Family restaurant
In business: 53 years
Seats: 375
Meals served: Lunch, dinner

"Business has been down this summer," says **Joe Cashenet,** general manager of the Hot Fish Shop. "People just aren't coming out as often," he explains.

A family-run operation, the Hot Fish Shop takes pride in offering its customers good value for the price. Specialties of the house are seafood items, such as pike dishes. Nightly entertainment is also a trademark.

The restaurant includes a fish market where customers can purchase fresh fish as well as prepared items, such as smoked seafood dishes and gourmet foods.

7

WEST SOUTH CENTRAL

Location: Norman, OK
NRA member: Joe Sparks
Operation: Legend's Restaurant
Profile: Fullservice restaurant
In business: 17 years
Seats: 120
Meals served: Lunch, dinner

"Business is somewhat slow," says **Joe Sparks,** owner of Legend's Restaurant in Norman, OK. The local economy has been depressed since 1982 when the oil industry experienced a downturn. Sparks is optimistic, however, because this fall state employees (the government is a top employer in Norman) are scheduled to receive their first raise in three years.

Because the restaurant depends a great deal on return business, Sparks changes the menu regularly to maintain customer interest. Recent additions have been lighter dishes, Cajun entrees and pasta.

Sparks has also made a large investment in landscaping to give his establishment a distinctive look. The outside patio, for instance, is surrounded by greenery, flowers and herbs. The herbs are used in dishes as much as possible.

8

MOUNTAIN

Location: Bliss, ID
NRA member: Robin Ferry
Operation: Ox Bow Restaurant
Profile: Family restaurant
In business: 22 years
Seats: 120
Meals served: Breakfast, lunch, dinner

"Business has been down; the economy is not too good around here," says **Jan Gortsma,** assistant manager at the Ox Bow Restaurant. The small town of Bliss, located halfway between Boise and Twin Falls, is experiencing some setbacks: An electronics plant just closed, and the local agricultural industry is depressed.

To appeal to value-conscious customers, the Ox Bow offers a daily special that includes soup, salad, vegetables and a main dish for under $3.00. Known for its all-American food, the restaurant specializes in fried chicken and homemade treats, such as scones and biscuits.

9

PACIFIC

Location: Grant's Pass, OR
NRA member: Nancy Driskell
Operation: The Skinny Spot
Profile: Low-calorie eatery
In business: 7 years
Seats: 35
Meals served: Lunch, dinner

"Although business was about the same during the first part of the summer as last year, things have slowed down a little bit since then," says **Kristi Dolmag,** assistant manager at The Skinny Spot. Dolmag believes the scorching heat (over a month of high temperatures and no rain) is discouraging people from eating out.

Even so, The Skinny Spot still does well because of its unique menu. The restaurant offers low-calorie entrees, which taste as fattening as regular foods. Although no sugar is used, the menu does include desserts and cakes. A calorie count sheet is provided listing each product's calories and exchange rate (helpful for diabetics and dieters).

The concept has been well received. Customers don't hesitate to travel a considerable distance to dine or buy food for take out. Word has even spread to California where the restaurant supplies its products to another operation.

FOOD FOR THOUGHT

Jobs that change with the weather

Employees at Chicago's acclaimed 95th Restaurant, located high atop the John Hancock Building, one of the city's skyscrapers, needn't worry about being left out in the cold when the winter slow season hits. Management simply sends some of the staff 95 floors below to work in the building's cafeteria, which the company also operates.

"Unlike the restaurant, the cafeteria is busiest during the winter months," explains Christian Devos, general manager of the 95th. "People who work in the building don't want to venture outdoors during their lunch hour, so the cafeteria is always full." Devos says employees of the 95th, who are accustomed to working in an upscale setting, adjust well to the temporary change in environment.

—*NRA News interview*

Fast food corporate style

Employees at Wang Laboratories' corporate headquarters in Lowell, MA, don't have far to go to get a Whopper and fries. This past spring, Burger King Corporation opened a new unit in the lobby of the Wang building, the company's first such unit to be opened directly at a corporate headquarters.

"We're pleased to be able to serve the 6,000 people who work at Wang's headquarters complex," said Marcel Bergeron, New England region vice president of Burger King. The new restaurant features a full breakfast, lunch and dinner menu and seats 400.

—*Burger King*

Hors d'oeuvre cookbook

Riding the crest of the emerging popularity of bar food is *Mary Blair's Hors D'Oeuvre Cookbook*, published this month by Freundlich Books. Although designed for discriminating consumers, there are ideas for operators as well.

The book provides recipes, menus and party planning ideas for events ranging from catered gatherings on the backyard patio to gallery openings and country weddings. It describes taste, texture, color and costs of 480 hors d'oeuvre recipes, from such old favorites as pates and dips to trendier items like chicken wings, sesame seed fingers and spinach pumpernickel loaf. Non-alcoholic fruit punch recipes also are provided.

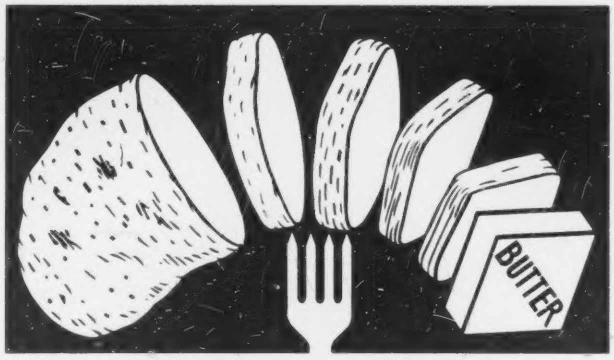
—*Freundlich Books*

'Buttery' potatoes are dieter's dream

Two new potatoes, which resulted from interbreeding experiments in Europe, were recently test marketed in four U.S. cities. Both varieties sold out before the end of the year.

The reason? The potatoes, Crimson Gold (a red potato) and Golden Delight (a white potato), are golden and creamy textured and offer a naturally rich, buttery taste—without the addition of butter. They may well represent the dieter's dream; they contain the same number of calories as other potatoes.

—*Food Management*



Wine notes

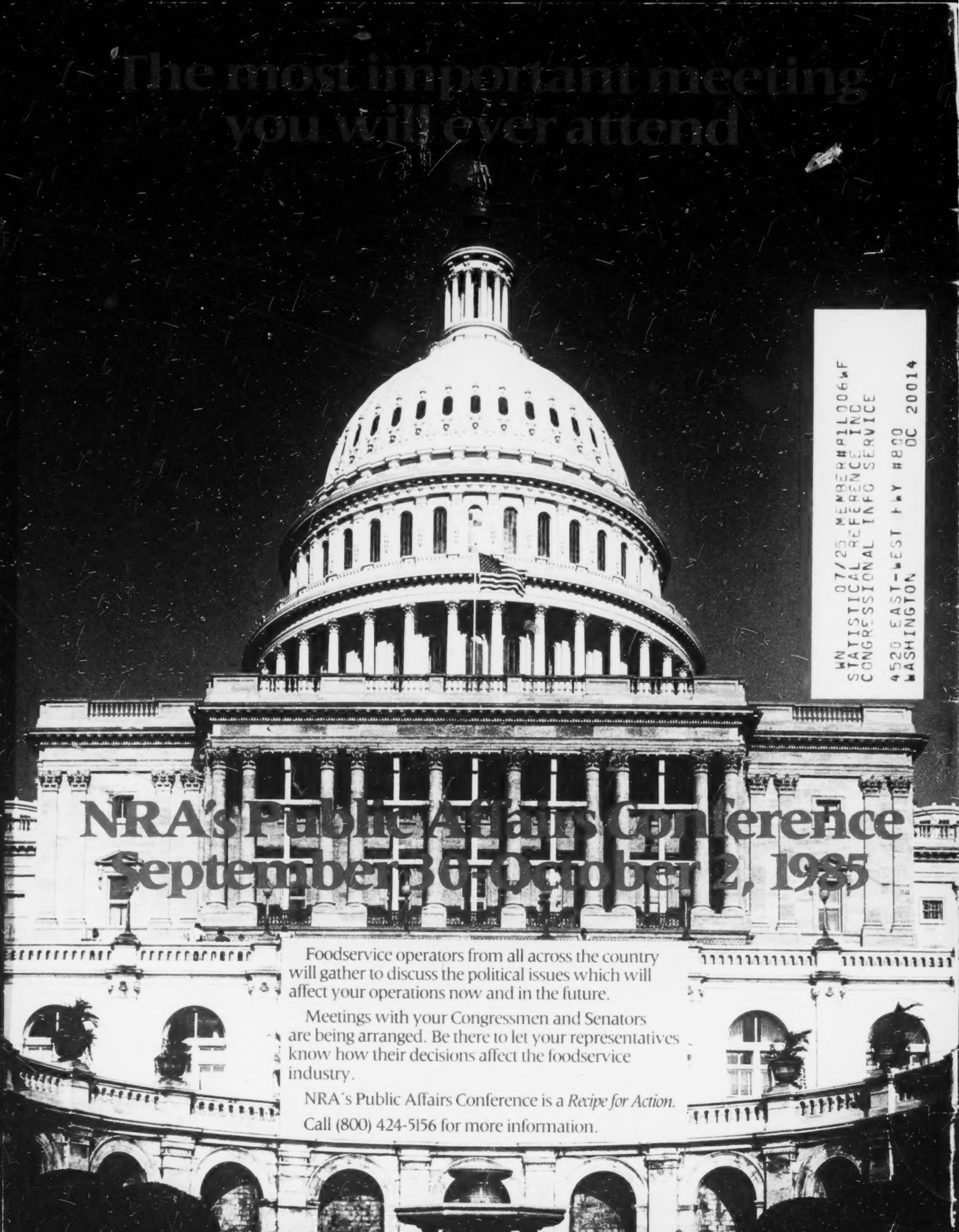
- Many airlines are upgrading their wine service in both first-class and coach to lure sophisticated airline travellers. Airlines, which cater heavily to business travellers, hope that by offering fine wines, such as Cabernet Sauvignon, Chardonnay and Bordeaux, they will upgrade the in-flight experience and encourage repeat business.
- For the novice sommelier, a new wine opener has recently been introduced. It is designed with a special attachment that catches the cork if it falls into the bottle.

—*Restaurants & Institutions, USA Today*

Why businesses fail

Thirty-three percent of small business failures can be blamed on bad management, according to a survey of owners of USA firms with annual sales of $300,000 or less. Other reasons include inadequate capital (21 percent), lack of experience (16 percent), owner not dedicated (16 percent) and economic circumstances (13 percent). The survey of 203 small business firms was conducted by Comprehensive Accounting Corporation.

—*USA Today*



The most important meeting
you will ever attend

NRA's Public Affairs Conference
September 30-October 2, 1985

Foodservice operators from all across the country will gather to discuss the political issues which will affect your operations now and in the future.

Meetings with your Congressmen and Senators are being arranged. Be there to let your representatives know how their decisions affect the foodservice industry.

NRA's Public Affairs Conference is a *Recipe for Action.*

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NRA NEWS

Vol. 5 No. 8 September 1985

NRA MEETINGS

Seminars

Basic Foodservice Courses

Basic Supervision in Foodservice

11/12	Savannah, GA
12/3	San Jose, CA

Dining Room Management

9/16	Las Vegas, NV
9/24	Burlington, VT
10/8	Bloomington, MN
10/22	Madison, WI
11/4	St. Louis, MO
11/13	Portland, ME
11/18	Billings, MT
11/20	Seattle, WA
12/3	Tampa, FL
12/5	Philadelphia, PA
12/10	Albuquerque, NM

Kitchen Management

9/17	Toronto, Ontario, Canada
10/1	Wilmington, DE
10/22	Colorado Springs, CO
10/24	Eugene, OR
12/10	Davenport, IA
12/12	Cheyenne, WY

People-power and Profits

10/10	Falmouth, MA
11/21	Knoxville, TN

Tools for Training

9/18	Columbia, SC
10/24	Kansas City, MO
11/7	Toronto, Ontario, Canada
11/19	Honolulu, HI*
12/9	Columbus, OH

Food Production Courses

Creative Buffets

9/19	Newport, RI
10/10	Arlington, VA
10/17	Indianapolis, IN
11/18	Chicago, IL

The Pantry: Prep for Profit

9/25	Arlington, VA
12/3	Atlanta, GA

Perfecting Your Culinary Skills

9/26	Austin, TX
10/22	Boise, ID
10/24	Spokane, WA
11/7	Omaha, NE

Simplified Baking Workshop

9/17	San Diego, CA
9/19	Sacramento, CA
11/12	Boston, MA
11/14	Philadelphia, PA

Soups and Sauces

10/15	Baltimore, MD
10/16	Williamsburg, VA
10/28	Burlington, VT
10/29	Pittsburgh, PA
11/14	Portland, OR

Foodservice Management Courses

Banquet Management

9/16	Washington, DC
10/3	Chicago, IL
11/12	Raleigh, NC

Computers in Foodservice: A Primer

9/23	Little Rock, AR
10/22	Oklahoma City, OK
12/2	Rochester, NY

Computers in Foodservice: Advanced Technology

10/23	Oklahoma City, OK

Employee Motivation

10/8	Salt Lake City, UT
10/27	Wichita, KS
11/13	Grand Rapids, MI
12/4	Rutland, VT

Food Cost Management

9/23	Denver, CO
9/30	Baltimore, MD
10/21	Ottawa, Ontario, Canada
12/2	Dallas, TX
12/9	Las Vegas, NV

Menu Development

9/17	Atlanta, GA
9/25	Shreveport, LA
10/14	Louisville, KY
10/15	Nashville, TN
11/19	Concord, NH

Off-Premise Catering

10/22–23	Minneapolis, MN
10/28–29	San Diego, CA
11/20–21	Richmond, VA
12/2–3	Lexington, KY

Operational Analysis

9/18–19	Baltimore, MD
10/7–8	Detroit, MI
10/28–29	San Antonio, TX

Planning and Implementing Restaurant Marketing Strategy

9/25–26	Milwaukee, WI
10/8–9	Westchester, NY
11/20–21	Los Angeles, CA
12/4–5	Salt Lake City, UT

Real Estate and Restaurant Site Selection

9/16–17	Jacksonville, FL
10/2–3	Washington, DC
10/21–22	Boston, MA

Restaurant Design & Facilities Planning

10/30–31	Cincinnati, OH
12/11–12	Seattle, WA

National Conferences

Tenth Annual California Wine Workshop

9/20–25	Napa Valley, CA

National Conference on Catering

11/10–13	Las Vegas, NV

INFO '86: Independent Operators National Conference

2/16–19	Orlando, FL

National Conference on Computers

3/16–19	Washington, DC

For more information, contact:
NRA Education Programs
800-424-5156 or
202-638-6100

**This is a special, shorter session of Tools for Training, offered at a reduced price in conjunction with the Pacific Area Food and Beverage Exposition.*

Study Group Meetings

Internal Audit

9/10–13	New Orleans, LA

Financial Officers

9/18–20	Boca Raton, FL

Tax Executives

9/18–20	Boca Raton, FL

Large Independent Operators

9/26–28	Washington, DC

Market Research

10/2–4	Chicago, IL

Management Information Systems (MIS)

10/13–16	Boston, MA

Quality Assurance

10/16–18	Chicago, IL

Marketing Executives

10/27–30	San Francisco, CA

For more information on specific study groups, contact Philip Kralovec, 312-853-2525.

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Editorial offices
and NRA headquarters
311 First Street, N.W.
Washington, DC 20001
(202) 638-6100

Chicago offices
One Park Place, Suite 2000
Chicago, IL 60601
(312) 853-2525

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PRESIDENT'S REPORT

Ted Balestreri
Co-Owner
The Sardine Factory, Inc.
Monterey, California

With the coming of autumn, activity in your Washington NRA headquarters has increased dramatically. Congress has reconvened and is considering several bills which will directly affect your business. NRA members and directors have come or will come to the city to discuss appropriate responses to these bills and other industry issues.

NRA Board meets in Washington, DC

The NRA Board of Directors meets on September 28 through 30 to review activities and policy for the association. Its fall meeting is always held in the nation's capital so that Board members can also take the opportunity to meet with important political leaders.

NRA members meet political leaders

Following the Board meeting, the first NRA Public Affairs Conference will convene. Foodservice operators from all over the country will gather to exchange views with speakers such as Secretary of Agriculture John Block, Senate Majority Leader Robert Dole, Chairman of the Senate Labor and Human Resources Committee Orrin Hatch and House Majority Leader James Wright.

The give and take with our political leaders will continue during specially scheduled meetings between NRA members and their representatives. And there will be further dialogue during the third annual Chef d'oeuvre, NRA's gala reception for Senators and members of Congress. While sampling items supplied by 14 of Washington's leading restaurants, we will discuss issues affecting the industry with our Congressional guests.

It is not too late to register for the Public Affairs Conference to be held September 30 through October 2. Call (800) 424-5156 for further information.

NRA supports TJTC extension

A meeting on September 11 focused on the attempt to extend the Targeted Jobs Tax Credit (TJTC), which is due to expire December 31, 1985. This tax provision allows foodservice operators to receive a tax credit for wages paid to individuals hired from nine targeted groups. Senator John Heinz (R-PA) and Rep. Charles Rangel (D-NY) have introduced bills in the Senate and House, respectively, which would extend TJTC for five years. During the September 11 meeting, the senator and congressman briefed TJTC users about these bills and what can be done by the industry to ensure their passage.

The foodservice industry uses TJTC extensively. We need to support these bills. Write your own congressmen and senators today, and tell them you support the extension of this important tax credit.

NRA blitzes media on tax cap

The House Ways and Means Committee began markup of its tax simplification bill this month. If this committee follows the administration's proposal, this bill could include a $25 limit on the deduction for business marketing meals, with a 50 percent disallowance of deductibility for amounts in excess of the cap. Deductions for business receptions would be eliminated.

Your association is currently conducting an extensive media campaign to win support for retaining full deductions for these marketing costs. By the time it is over, I will have visited six cities to speak to editorial boards at major newspapers and to be interviewed on radio and television. In each instance, I have pointed out or will point out that limiting the deduction on a legitimate cost of doing business is wrong in principle and that this particular cap will cost 144,000 foodservice jobs in the first year alone, resulting in a net loss of $1.6 billion to local, state and federal treasuries.

In the cities I have visited to date, the media has been responsive to our message. Many reporters and interviewers realize the prejudice against the business marketing meal deduction has been fostered by previous administrations and that the whole issue deserves careful, objective consideration. If you think you can assist in the NRA press effort in your own marketing areas, call the association's communications department for a copy of the press kit and materials we are using during the national press tour.

FDA proposes sulfite ban

On August 15, The Food and Drug Administration (FDA) proposed a ban that limits the use of sulfites. Following an NRA recommendation, the ban would forbid the use of sulfiting agents on fresh and previously frozen salad ingredients by either wholesaler-distributors or retailers. (The ban does not include pre-cut potatoes, evidently because the potato industry voiced strong opposition.)

In proposing this rule, FDA affirmed NRA's contention that labeling and signage in restaurants are not a solution to the sulfite problem. After a 30-day comment period, FDA will review its proposal once more and then publish a finalized regulation by the end of the year.

NRA releases training cassettes

In December 1985, NRA will release the first series of *Video Training*. These video cassette training programs, for use in the individual foodservice outlet, will cover wait staff training, focusing specifically on suggestive selling, teamwork and service from greeting to farewell. Each topic is covered in a 20-minute tape.

These video cassettes will allow you to offer standardized training to all of your employees as they join your staff. The second series—covering back-of-the-house training—will be released next spring. Video training is effective, efficient and inexpensive. NRA plans to build a full scale video library covering training for all facets of foodservice operations to serve you better in your training needs.

During August, 149 foodservice operators and allied suppliers joined the ranks of NRA. Your participation in NRA will make your business grow and make your association more effective in its endeavors on your behalf. Welcome.

Sincerely,

Ted

Ted Balestreri
President and Chairman of the Board

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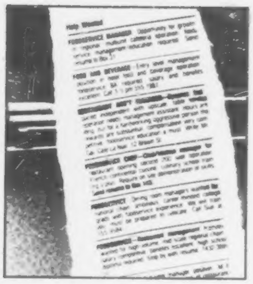

10 Today's restaurant school graduates are ready to set the world on fire. Armed with classroom knowledge as well as practical hands-on experience, graduates are looking for challenging, professional careers. Ambitious, but realistic, these young people are willing to work hard to carve their own individual niche.

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Cover photograph by Gary D. Landsman

SHORT ORDERS

1985 operating ratio report now available

NRA's annual study *Restaurant Industry Operations Report '85* has just been published.

Conducted jointly by NRA and the international accounting and consulting firm Laventhol & Horwath, it contains a wealth of financial and operating data not available from any other public source. Financial data for this study were supplied by NRA members, and the analysis was performed by Laventhol & Horwath.

More than 920 questionnaires were received from a broad cross section of NRA members, and 718 completed surveys were used as the basis for this comprehensive report.

What's in the report . . .

The report includes specific financial information on full and limited menu restaurants with tableservice, limited menu restaurants without tableservice (fast food) and cafeterias. Information is broken down by restaurant type, location, sales volume, menu theme and years of operation. The report has been divided into two sections—one for restaurants serving food only and the other for restaurants serving both food and alcoholic beverages.

Information presented in the publication includes

- data on sources of income
- data on restaurant expenditures
- analysis of employee data—employees per seat, average sales per employee
- earnings ratio by type of restaurant and
- figures for total cost of sales.

How to order the report . . .

Restaurant Industry Operations Report '85 is now available at a cost of $19 (plus $2 shipping and handling) for NRA members and $38 (plus $3.80 shipping and handling) for non-members. DC residents add six percent sales tax. Illinois residents add seven percent sales tax. Chicago residents must add an additional one percent, making their total sales tax eight percent. To order, contact NRA, 311 First St., N.W., Washington, DC 20001 or call 800-424-5156. *Payment must accompany all orders.* Credit card telephone orders are accepted. **Please specify number CS955 when placing your order.**

Winners named in "Skill Olympics"

Two foodservice students recently won gold medals in the annual United States Skill Olympics, sponsored by the Vocational Industrial Clubs of America (VICA). The winners, Timothy Foley of Greater New Bedford, MA, and Steven Swain of Scottsdale, AZ, were chosen out of 52 students who competed in the commercial food trade division of the Olympics, held in Phoenix, AZ, this past June.

VICA members from across the country competed in the one-day Olympics. Each contestant was assigned to a small kitchen, given a series of recipes and told to prepare the dishes in six hours or less. Finished products, ranging from curried zucchini soup to raspberry shortcake, were judged by professional chefs from some of the country's finest restaurants.

As gold medalists, Foley and Swain were each awarded a scholarship to Johnson & Wales College, a leading culinary school.

Sodium labeling reprieve

FDA has given food manufacturers an extra year to comply with the new sodium labeling regulations. July 1, 1985 was the original deadline for food manufacturers to include sodium content on nutrition labels; the effective date is now July 1, 1986. But don't be surprised if you see the sodium information on labels sooner. Many of the industry's high volume foods already comply with the new regulations. The extension was granted primarily to cover slower-moving food products. Manufacturers successfully argued that they needed an extra year to use up inventories of non-complying labels.

NRA introduces video cassette training program

Well-trained employees are critical to the success of any operation. In an effort to make NRA's employee training resources readily available to all foodservice operators, NRA is developing a library of video cassettes that focus on all aspects of employee training.

The cassettes, which are being developed as an ongoing series, will initially cover topics such as wait-staff training, including suggestive selling and teamwork, and back-of-the-house employee training, including food handling and storage procedures. The tapes will serve as training and orientation for new employees as well as a reference tool for existing personnel.

The video cassette library is designed to be an extension of NRA's seminar and conference programs. The tapes, which may be purchased individually or as a series, can be played on any standard home video equipment. The first series, which focuses on wait-staff training, will be available in December 1985.

For more information on NRA's video cassette training tape program, contact NRA's Education Programs Dept. at (800) 424-5156 or (202) 638-6100.

WASHINGTON REPORT

Immigration reform again before Congress

Immigration reform legislation that would penalize employers for knowingly hiring illegal aliens and would grant amnesty to aliens already in the U.S. is now being considered by both the House and Senate.

S. 1200, introduced by Sen. Alan Simpson (R-WY), was passed by the Senate Judiciary Committee shortly before Congress adjourned for the August recess. Simpson, who chairs the Judiciary Committee, expects the measure to be considered on the Senate floor shortly after members return in September.

The Simpson bill would institute both civil and criminal sanctions against employers who knowingly hire illegals. Simpson's original bill did not include criminal sanctions, but the committee amended the legislation to make it more akin to the House version. The committee also eased the amnesty provision that would guarantee amnesty to illegals already in the U.S.

The Simpson bill does not require employers to verify the legal status of new hires and maintain records of that verification procedure. As a result, the Simpson bill is less onerous for employers; thus, the NRA and business groups such as the Chamber of Commerce have agreed not to oppose the bill.

On the House side . . .

An immigration bill that includes mandatory recordkeeping requirements (H.R. 3080) was introduced in the House shortly before the August recess by Rep. Peter Rodino (D-NJ). Rodino, chairman of the House Judiciary Committee, has indicated that he will hold hearings on his bill when the members return in September.

In addition to the verification procedure, Rodino's measure also sets up a framework of sanctions against employers who knowingly hire illegals, with civil penalties ranging from $1,000 to $5,000 and criminal penalties of up to six months in jail.

Amnesty for illegals already in the U.S. would be granted automatically under the House measure for any illegals residing in the U.S. since before January 1982.

Both the House and Senate versions of the bill include a program for temporary foreign agricultural workers.

FDA proposes SULFITE BAN

In an action which reflects a recommendation made by NRA a year ago, the Food and Drug Administration (FDA) is moving on a proposal to ban the use of sulfites in fresh fruits and vegetables. Commissioner Frank Young of FDA and Secretary of Health and Human Services Margaret Heckler have both approved the proposal.

Sulfites have been linked to allergic reactions and even death among sulfite-sensitive asthmatics. NRA has asked its members to discontinue the use of sulfites as a freshening additive since February 1983.

Last year NRA recommended a limited, partial ban on sulfites in testimony given before a scientific panel studying the issue. The panel subsequently agreed with NRA and recommended that FDA adopt a ban on the use of sulfites in raw fruits and vegetables and pre-cut potatoes.

The FDA proposal signed by Young and Heckler does not include a ban on the use of sulfites in pre-cut potatoes. Young has delayed action on potatoes because the potato industry strongly objects to a ban on sulfite use. Spokesmen for the potato industry claim that they have found no adequate substitute for sulfite use in potatoes. A large percentage of the pre-packaged potatoes would be lost to spoilage if sulfites were banned, creating a severe economic hardship for the industry.

Congress has been pushing FDA to act on a sulfite ban for many months. On the recommendation of NRA, bills were introduced in both the Senate and House to institute a limited, partial ban on sulfite usage.

IRS issues temporary tip reporting rules

The Internal Revenue Service (IRS) has issued temporary rules implementing changes made last year to the eight percent tip reporting law.

The proposed IRS rules, published in the July 23 *Federal Register*, would loosen some of the requirements in the original 1982 tip reporting law.

NRA worked last year to get several modifications in the tip reporting law. These were incorporated by Congress into the 1984 Tax Reform Act and now are being put into rulemaking by IRS.

The new rules are temporary and would become final after public comments are received. (For information concerning the comment period, contact the NRA government affairs department or refer to the July 23 *Federal Register*.) Among the changes included in the temporary IRS rules:

- the tip allocation threshold can now be reduced from eight percent to as low as two percent with the approval of an IRS district director
- employees as a group can now file a petition for a reduction in the eight percent tip reporting threshold
- the recordkeeping requirements for tipped employees are spelled out for the first time and
- individuals who own 50 percent or more of a foodservice facility are not considered employees for the purposes of determining coverage.

Reducing the tip allocation threshold. The original law requires employers to allocate tip income to employees if total reported tips do not equal or exceed eight percent of the establishment's gross sales. In those cases where tips are less than eight percent, employers can petition the IRS for a reduction in the reporting threshold (to as low as five percent).

As a result of the 1984 Act, IRS district directors may now reduce the threshold to as low as two percent, and for the first time employees can petition for a reduction.

Employee petitions. According to the temporary IRS regulations, an employee petition must be consented to by a majority of employees (more than one-half of the directly-tipped employees in an establishment).

These employees have the burden of supplying sufficient information to allow the district director to estimate the actual tip rate of the establishment. This information must be provided by the employer upon request of the employees or the director, but it will remain strictly confidential.

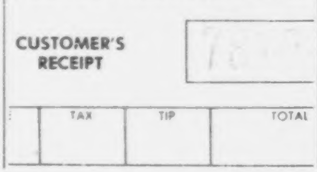
Substantiation of tip income. In general, an employee is required to maintain "sufficient evidence" to establish the amount of tip income received. Under the temporary rules, sufficient evidence consists of either a daily record or other evidence of tip income received "which is as credible and as reliable as a daily record."

IRS Form 4070A, *Employee's Daily Record of Tips*, may be used to maintain such a record. Each entry in a daily log must be made on or near the date the tip is received.

IRS says "other evidence" should consist of documents, such as copies of restaurant bills or credit card charges, that show the amount of tips that customers added to checks or amounts from which tips are paid.

These new recordkeeping rules would become effective on Oct. 1, 1985. Until that time, employees should continue to keep sufficient evidence to substantiate their tip income.

Status of a 50-percent owner. Under the temporary rules, an individual is not considered an employee if he "owns 50 percent or more in value of the stock of a corporation operating an establishment . . . ." For the purposes of determining coverage under the law, an employee was originally defined to include *all* individuals employed in the operation.



Plant closings bill still being considered

An NRA-opposed bill, H.R. 1616, to require prior notification of plant closings was approved by the House Education and Labor Committee in late July and may be taken up on the House floor this fall.

The bill, sponsored by U.S. Rep. William Ford (D-MI), would require employers to give 90 days' notice of closings if they employ 50 or more employees. The bill does not define employee, leaving open the possibility of part-time employees being counted the same as full-time employees.

The bill also has a "good faith consultation" provision that requires an employer to provide relevant information to unions and other involved groups about its decision to close.

The vote to send the bill to the House floor was along partisan lines, with Democrats supporting it and Republicans voting against it. The Republicans argued that the bill would limit flexibility of businesses and force many to close plants that may otherwise remain open.

"Most businesses simply will not give adequate notice of mass layoffs and plant closings if they aren't required to do so by law," said Ford in defending the legislation.

But Rep. Marge Roukema (R-NJ), who led the fight against the bill, said the good faith consultation requirement would force companies to divulge trade secrets and sensitive financial information. Rep. Tom Petri (R-WI) said the bill could destroy a company that might appear to be foundering even though it is only cutting an unprofitable operation.

Roukema said the House may pass the bill but that "it is not going anywhere in the Senate." *—Jay Morris*

Small Business Administration saved

The Senate recently passed a bill reauthorizing the Small Business Administration (SBA) for three years. The legislation saves the SBA from being dismantled as originally proposed by the administration, but it would trim an estimated $2.5 billion from SBA programs.

Senate Majority Leader Robert Dole (R-KS) called passage of the bill, S. 408, the first test of budget restraint.

To achieve these savings, the bill would eliminate almost all direct loans; however, direct loans for minorities, veterans and the handicapped would still be available. Guaranteed loans would also be maintained. The bill authorizes $9.25 billion for fiscal years 1986-88.

The Senate-passed bill makes more cuts than the committee version of the bill. The Small Business Committee would have trimmed only $851 million over the three fiscal years. Committee Chairman Lowell Weicker (R-CT) offered amendments that increase the savings to $2.5 billion. This reflected an agreement between Weicker and the Reagan administration to reduce federal spending without abolishing SBA.

The Senate bill would also bar farmers from the SBA disaster loan program. Farmers could still seek aid from the Farmers Home Administration, which Weicker says is better able to tend to their needs. This will save an estimated $817 million over the three-year period.

A similar bill was passed by the House Small Business Committee on July 10. The bill, H.R. 2540, includes a provision to cut spending by SBA but would retain some direct lending to businesses. The House bill also bars farmers from receiving SBA disaster loans. H.R. 2540 is expected to be considered on the House floor when Congress returns from its August recess.

NRA spreads word about drawbacks of business meal deduction caps

NRA efforts to educate members of Congress and their staffs about the devastating effect a cap would have on the business meal deduction continued throughout the summer. District meetings, a staff seminar and meetings with representatives in Washington all helped NRA spread the word about the importance of preserving the full deductibility of the business meal.

Representatives from NRA and a local Washington restaurant met recently with House Minority Leader Robert Michel (R-IL) to discuss the business meal issue. Dominique D'Ermo of Dominique's restaurants in Washington, DC, and Miami, FL, and NRA's Director of Government Affairs Ron Sarasin explained to Michel the problems associated with the proposed cap. Rep. Michel recognized that the business meal proposal would hurt the industry. He also said he felt that a tax reform bill will not get through Congress this year.

Earlier this summer NRA sponsored a seminar on the business meal issue for Senate staff members. The seminar was held in conjunction with the Senate Travel and Tourism Caucus.

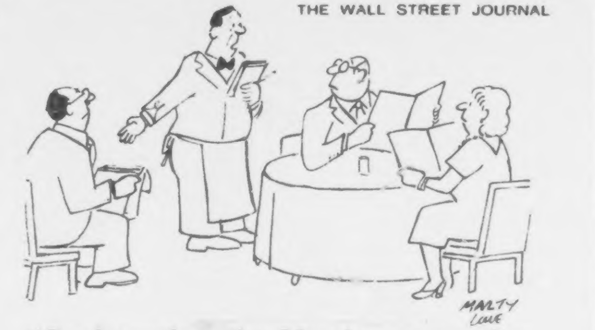
Robert Shriner, managing partner of Shriner-Midland Company, Washington, DC, discussed the results of a Chase Econometrics study, which showed a $3.5 billion loss of foodservice sales and a loss of over 100,000 jobs in the first year the caps would be in effect. The participants were also informed about the $6.0 billion loss in federal, state and local tax revenues that this cap would cause over a three-year period.

Joining NRA in educating Senate staff were Robert Juliano of the Hotel Employees and Restaurant Employees International Union and Al McDermott of the American Hotel and Motel Association. McDermott read from a letter written by presidential candidate Ronald Reagan in 1980, which expressed Reagan's opposition to any limitation on the deductibility of business meals and entertainment expenses.

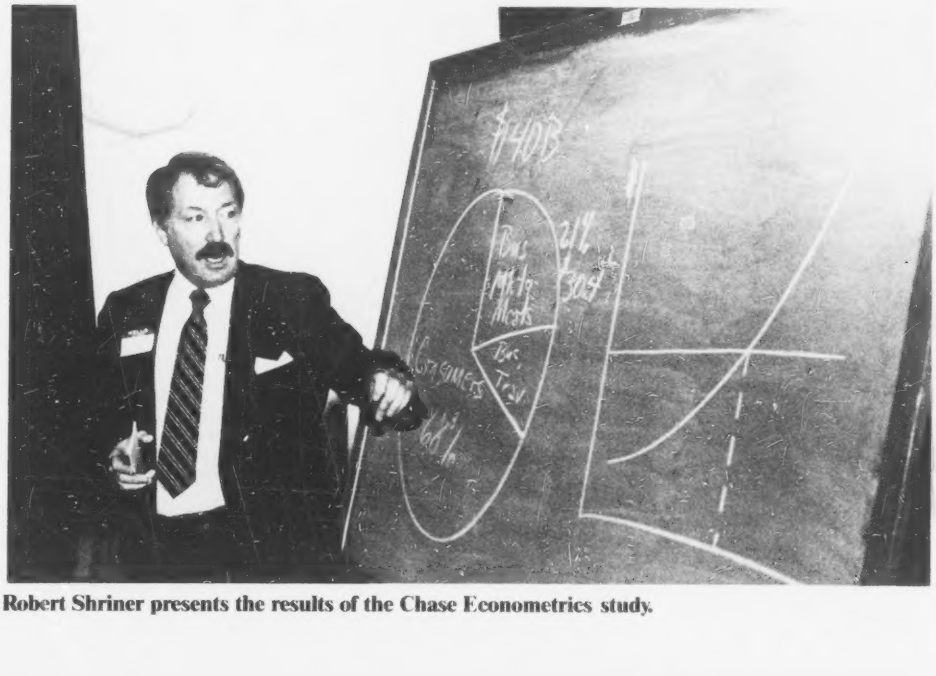
The President's tax reform plan would not only place an arbitrary cap on the business meal deduction, but it also would eliminate all deductions for business entertainment expenses. This could include receptions, hospitality suites, catered events, parties and even banquets.

NRA encourages its members to contact their representatives and senators to urge them to oppose any proposal to curtail the deductibility of legitimate entertainment expenses. *—Michele Rabayda*

THE WALL STREET JOURNAL



"Good evening, I'm Maurice your waiter and this is Mr. Keppler from the IRS."



Robert Shriner presents the results of the Chase Econometrics study.

Public Affairs Conference

It's not too late to register for NRA's Public Affairs Conference, Sept. 30 to Oct. 2, at the J.W. Marriott Hotel in Washington, DC.

Conference activities will include presentations from national leaders, panel discussions on legislative/regulatory policy, a congressional reception and the opportunity to lobby Congress on restaurant issues.

Senate Majority Leader Robert Dole (R-KS), House Majority Leader Jim Wright (D-TX), House Budget Committee Chairman William Gray (D-PA), Deputy Assistant to the President Linda Chavez and ABC White House Correspondent Sam Donaldson are just some of the speakers who will be featured.

The conference will provide participants with insights into how government really works and a chance to talk face-to-face with influential public officials about issues affecting the restaurant industry.

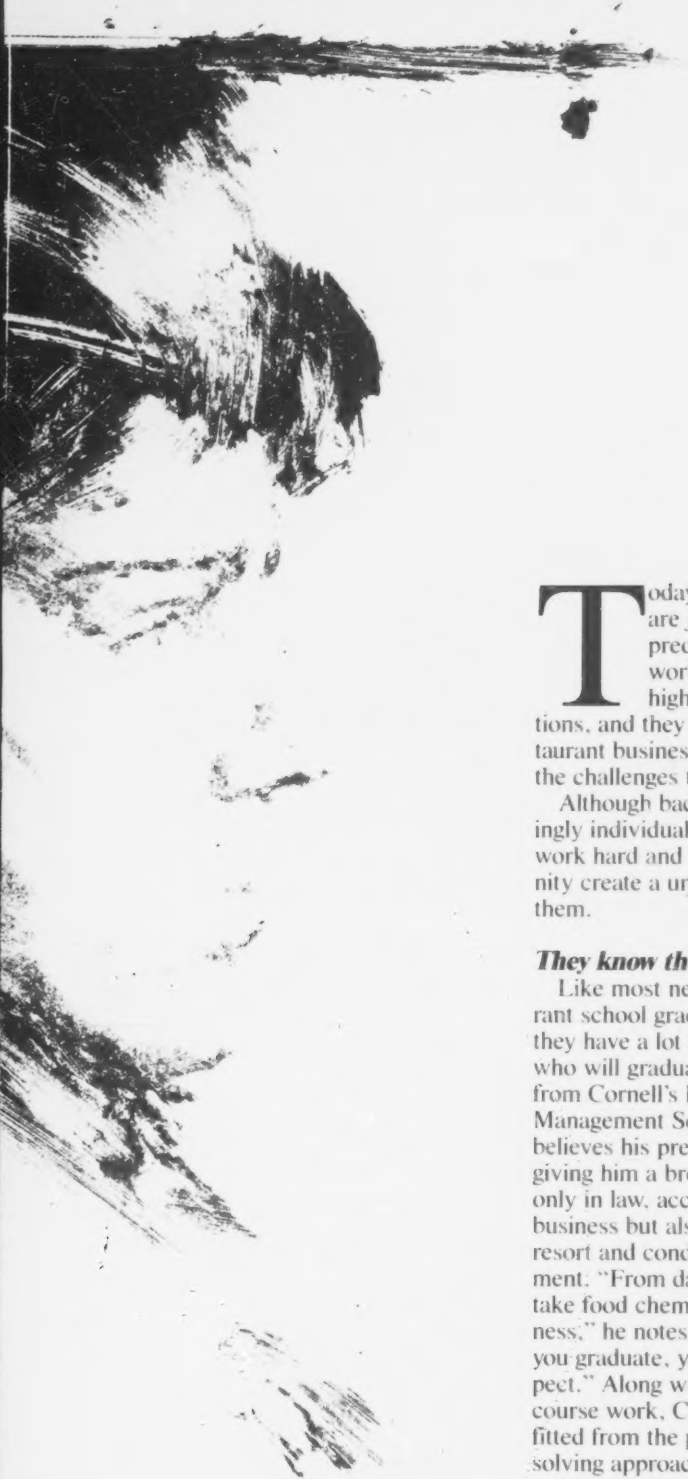
For information about registration and hotel accommodations, contact the NRA government affairs department, (800) 424-5156.

RESTAURANT SCHOOL GRADUATES

READY FOR BUSINESS

by Kathy Boyle

Qualified, dedicated, enthusiastic young people are ready to go to work in restaurant management. They are willing to put in the long hours associated with the restaurant industry, but down the road most are looking for a payoff—either their own restaurant, a high-level, high-paying job or just the ability to control how they manage their time. For the restaurateur, the challenge is to channel their energy.



Today's college graduates are just as ready as their predecessors to set the world on fire. They have high hopes and expectations, and they are looking to the restaurant business to provide them with the challenges they yearn for.

Although backgrounds are strikingly individual, their willingness to work hard and eagerness for opportunity create a unifying thread among them.

They know they are qualified . . .

Like most new graduates, restaurant school graduates are confident they have a lot to offer. David Crane, who will graduate this December from Cornell's Restaurant and Hotel Management School in Ithaca, NY, believes his preparation at Cornell is giving him a broad background, not only in law, accounting and basic business but also in hotel, restaurant, resort and condominium management. "From day one, at Cornell you take food chemistry along with business," he notes. "I think by the time you graduate, you know what to expect." Along with the wide variety of course work, Crane believes he benefitted from the program's problem-solving approach. "I think I could be stuck anywhere, and I could handle it. They teach you to think at Cornell."

Kathy Boyle is a free-lance writer in the Washington, DC, area who writes frequently on foodservice topics for **NRA NEWS.**

Illustration by Krawczyk

In addition to their formal schooling, most new graduates already have previous restaurant experience behind them—either from internships organized by the schools or part-time work in restaurants. David Hill, who will graduate from Le Cordon Rouge in Sausalito, CA, in October, will combine his degree with 10 years cooking experience at continental restaurants in the resort town of Vail, CO. Hill sees his formal training at Le Cordon Rouge as complementing the years of working and cooking in restaurants. "At Le Cordon Rouge they teach in the classic manner, but in restaurants I learned ordering, organizing and dealing with people," he observes.

Mary Donovan, a 1983 graduate of the Culinary Institute of America (CIA), who is now using a fellowship to rewrite CIA's consumer cookbook for Harper & Row, also knows what to expect in the real-life restaurant world. "When I helped a now successful Philadelphia restaurateur get his own restaurant going five years ago, I did everything from sewing curtains to developing menus," she recalls.

Several graduates agreed that not all the formal education has to be in restaurants to be useful. "As an undergraduate theater major, with acting experience after school, I feel I know how to please an audience, which is really what a restaurant is about," contends Stephen Benjamin, M.B.A. candidate at Michigan State's Hotel, Restaurant and Institutional Management program in Lansing, MI, who will graduate next June after putting in 118 credits in the M.B.A. program.

Challenging job is number one priority . . .

Restaurant school graduates are well aware of the rigors and long hours facing them in the restaurant business, but most seem to look beyond the long hours and hard work when thinking about their goals. Highest on the list is "an interesting, challenging job."

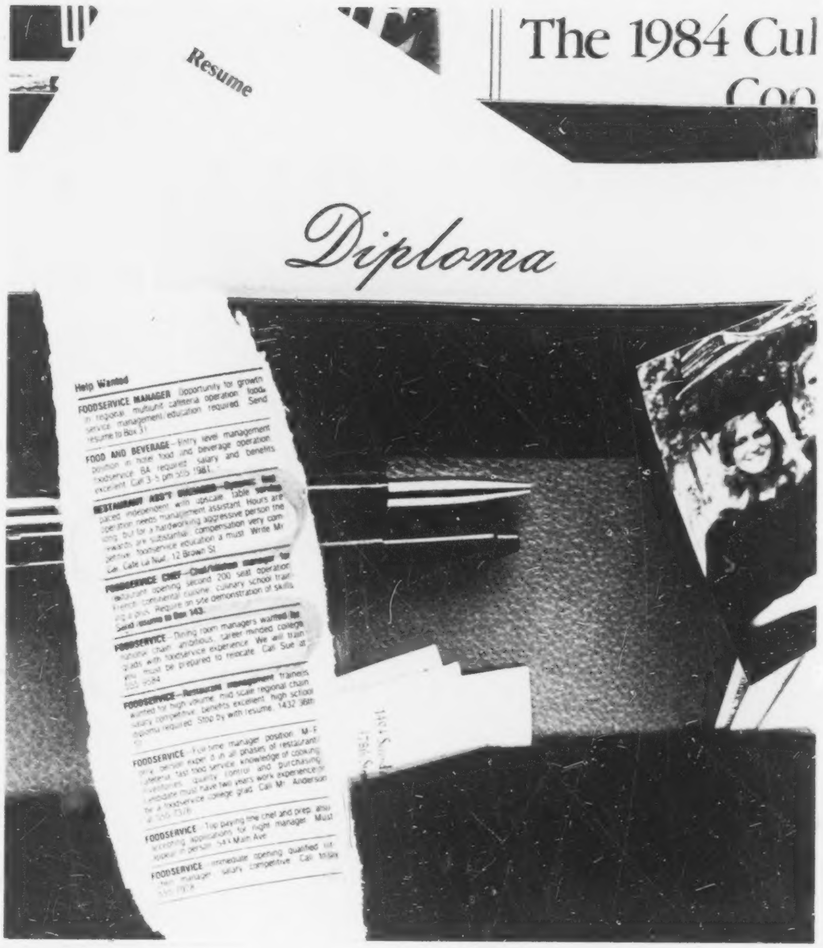
Mary Donovan looks toward a career in catering for the excitement she wants from a job. Expressing her love of cooking and foods, yet her desire not to get stuck in a rut, Donovan explains excitedly, "In catering you can be more flexible. It's not always the same food, the same menus. The cooking is more diversified, and you face a different set of circumstances each time."

Scott Berg, 1985 graduate of Johnson & Wales College in Providence, RI, shares Donovan's desire for job excitement and variety. His aspirations led him to a retail grocery firm, Giant Food, Inc. in Landover, MD. Berg is sous chef at Giant's gourmet location in McLean, VA, just outside of Washington, DC. Although he was promoted to his position five months after graduation, his tenure at Giant started long before. "I began with Giant just three weeks before they opened the McLean gourmet operation," tells Berg. "Then I decided to go to Johnson & Wales. During vacations and summers, I kept getting rehired at Giant, but when I graduated I knew I wanted to work for Giant."

Although there is no sit-down, eat-in restaurant in the store, there is a tremendous amount of cooking done on the premises. "It is a unique place," explains Berg. "I get to prepare foods from every country, with every style of menu. I do entrees, pasta salads, pates and a variety of soups. It's really more like a restaurant than a food store." Berg looks forward to moving to the next gourmet location when it opens.

For Linda Finkelstein, April 1985 graduate of Florida State University's Restaurant and Hotel Management School in Tallahassee, FL, "Independence in a job was my first priority. I wanted to use what I had learned in school. So many graduates don't get to express themselves."

Finkelstein found the challenge she was looking for at a 170-room, privately-owned hotel in Berkeley, CA. As banquet manager, Finkelstein has had full control over banquet events in the hotel's 11 meeting rooms (capacity 800 banquet guests) and a growing staff of 25. "I've had the opportunity to try things and make my own mistakes," says Finkelstein. "It's been enlightening."



Samuel Coleman Bookbinder IV (Coley) is the fifth generation of a long line of restaurateurs. Bookbinder's family owns and runs the famous Bookbinder's Sea Food House in Philadelphia, PA. Currently Bookbinder is attending the University of Massachusetts Hotel, Restaurant and Travel Administration school in Amherst, MA. In the family tradition, Coley's older sister has already graduated from Cornell's Restaurant and Hotel Management School, and his younger brother is currently enrolled in the program at Cornell.

Having grown up in the business, Bookbinder understands the long hours that it takes to run a restaurant. "But I enjoy it so much it never seems like work," he maintains. Although he's experienced with most restaurant chores, from breading shrimp and scallops with his brother and sister as a teenager, to busboy, to tending bar, to assisting the chef, it is the dining room that fascinates him the most. "I really enjoy being out there with the customers," says Bookbinder.

Many want to open their own restaurant . . .

Some day, Bookbinder sees himself opening his own restaurant, "but not in Philadelphia. Maybe a restaurant in Nantucket, MA, or a wine bar in Burlington, VT."

Mapping out his strategy, Bookbinder explains, "I may attend CIA or Johnson & Wales for further training, and I'll work for someone else and learn from them. Right now, I know how my father runs things, but I'd like to learn how others do it, too." Meanwhile, to learn more about wine, he spent part of this summer's vacation attending the German Wine

Academy in Oestrich-Winkel, Germany.

Bookbinder is not the only graduate to want to open his own restaurant. Owning their own business is the dream of many students. But for David Hill of Le Cordon Rouge it may be more than a dream. After just one more year of working for someone else, Hill plans to combine his previous cooking experience with his recent training to open his own restaurant in the Bay area. Undaunted by the high costs of opening a restaurant, Hill explains, "I've got most of the capital together. I've been planning and saving for this for years."

For most students, however, the dream of owning their own restaurant is many years away. Scott Berg, who works at Giant Gourmet, some day hopes to open his own French and American cuisine restaurant in the Washington area. "But that is at least five to 10 years away," he laments.

Susan Leighton, an intermediate student at Le Cordon Rouge in Sausalito, CA, also realizes that her dream of owning a restaurant is many years away. First, she wants the hands-on experience of being an apprentice.

The mother of two teenage sons, Leighton returned to school after more than 15 years away from the workforce. "During my schooling here at Le Cordon Rouge, I have had an intense period of learning, but no experience. What I want to do now is work under the influence of an excellent chef in a small restaurant in the Napa Valley or Sonoma Valley. After one year under a chef in a small kitchen, I'll evaluate where I am and if I should return for more schooling."

Then she will canvass South America and Australia—where she has travelled extensively—to find the right location. "Here in the U.S., I feel it would take too much money to set it up myself," she observes.

Other graduates look toward consulting as their ultimate goal. "Personally I'm looking for a challenge," explains David Crane of Cornell, who views consulting as the ideal opportunity. "While you're in school, you're constantly challenged. I want that in a career. Something where I'm not stagnating." To get a firsthand idea of what consulting is all about, Crane took a job with restaurant consultant T.A. Thelander of Cleveland, OH, during his summer break. So far, he feels he may have found his niche. "In such a short period, I feel I've learned so much. And the pace is fast-moving."

The long-range goal of Michigan State M.B.A. candidate Stephen Benjamin is to be a marketing consultant in the hospitality industry. But for the immediate future, "I see myself going with a company to learn the business," he says realistically.

The lure of consulting is there for Ruth Marcovitz as well, who will graduate from Michigan State in December 1986. "I like the variety of work in consulting," notes Marcovitz. "I hope to get an entry level position at one of the large consulting firms like Laventhol and Horwath. Then, if I like it, I may continue with school at night to get my C.P.A."

Salary is not of primary importance . . .

Although money is and will remain important, it is far behind "challenge and opportunity" as a motivation for recent graduates. Bill Lane, who graduated in December 1984 from the Hotel, Restaurant and Institutional Management program at Pennsylvania State University in University Park, PA, turned down two higher paying jobs for a chance to take a more exciting career opportunity. "I was offered a higher-paying position with a major hotel and restaurant chain in my hometown of Pittsburgh, and was given my choice of several of their locations," says Lane. Instead, Lane chose Howard Johnson's, "which paid less money, wouldn't tell me the town where they would put me but did promise to put me in the new concepts division," he explains. "This opportunity challenged me the most and offered me the most responsibility."

Lane feels his decision has paid off. "After six months I have more responsibility than I would have had anywhere else," he beams. "In fact, I'll stay forever if they'll continue to promote me. But if the advancement isn't there, then I won't hesitate to leave."

Most students are realistic about their salary expectations. Despite his M.B.A., Benjamin of Michigan State is not expecting more than a starting salary in the lower $20,000 range, "but in five years I hope to be making in the upper $30's," he notes.

Undergraduates, such as Crane of Cornell, expect a starting salary around $15,000 to $17,000 for an entry-level management job. But most expect that figure to double.

When experience is the main goal, salary becomes unimportant, for the job itself becomes an investment in the future. Says Leighton of Le Cordon Rouge, "I don't mind the low salary as long as I am in a position of learning from someone extraordinary. I can hold out for a while on a low wage."

Controlling their lifestyle . . .

Although most graduates see a 50 to 80-hour week ahead of them, some graduates are planning career paths that will eventually sidestep the long hours.

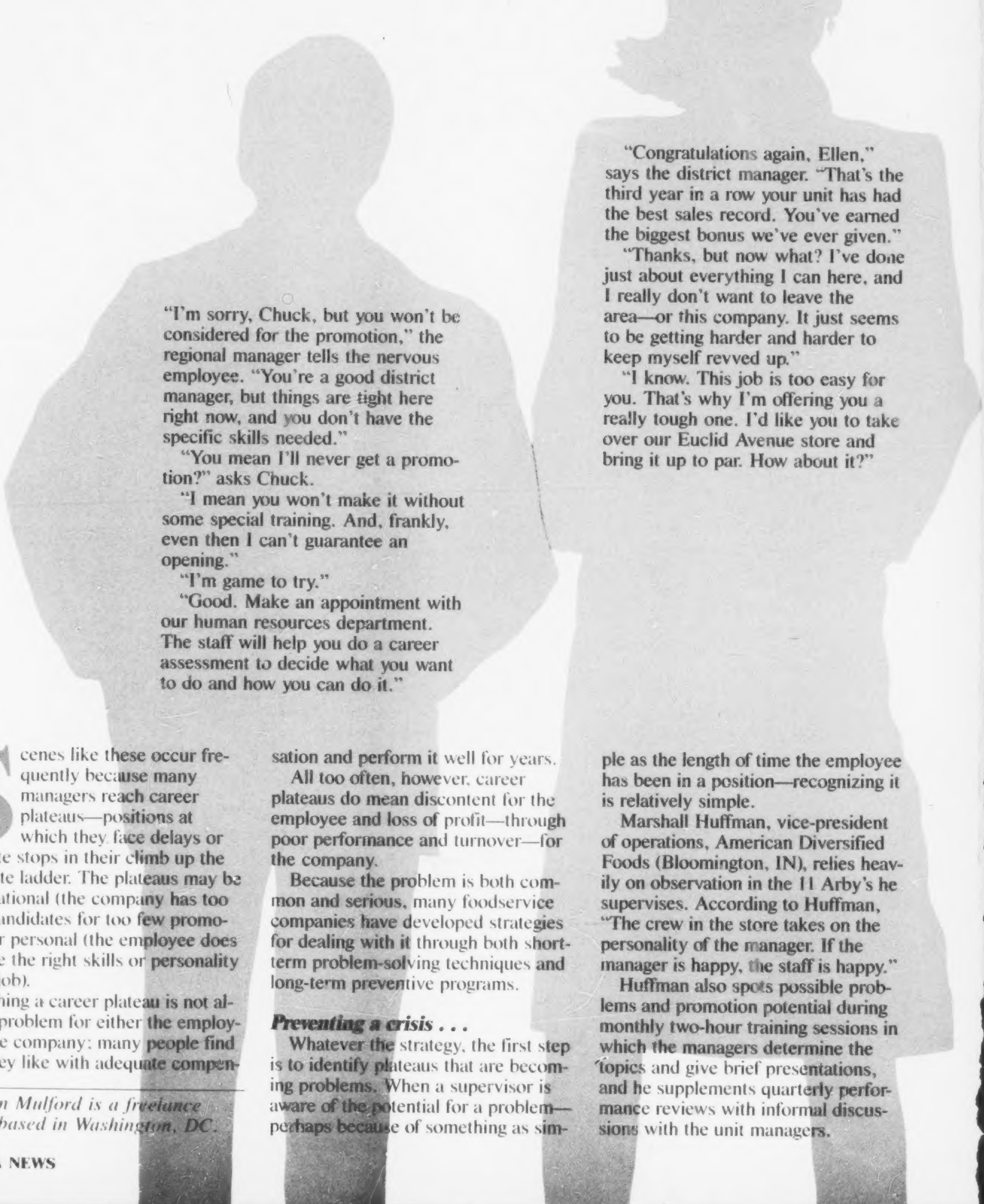
Dewey Markham, Jr. is one example. A 1984 graduate of the Culinary Institute of America, Markham eventually sees himself in a career of food writing. "Most people think of restaurant reviewing when they think of food writing. I'd like to do the type of writing that informs and educates the general public about food—maybe write for a consumer magazine like *Food and Wine* or *Gourmet*," he says.

Markham holds a degree in English from New York University and a master's degree in film. To strengthen his food writing skills, Markham plans to attend La Varenne in Paris, France, next year for its one-year editorial trainee program. By combining the culinary skills with writing, Markham feels he will have more control over his time. "Ultimately, I'll have a greater amount of time for myself and a more stable schedule. Even though I may be working 60 hours a week, they will be the 60 hours I choose, rather than the six days a week, nine to 10 hours a day required in a more traditional food career," he explains.

In conclusion . . .

The young people headed for a career in foodservice know what awaits them. They have the training and experience that gives them a realistic view of the industry and the high hopes and enthusiasm to forge their own niche. Given the challenges they desire, most of these young people will work with dedication and enthusiasm. But the entrepreneurial spirit is alive within them—waiting for expression in the years ahead. ❑

Surviving Career



"I'm sorry, Chuck, but you won't be considered for the promotion," the regional manager tells the nervous employee. "You're a good district manager, but things are tight here right now, and you don't have the specific skills needed."

"You mean I'll never get a promotion?" asks Chuck.

"I mean you won't make it without some special training. And, frankly, even then I can't guarantee an opening."

"I'm game to try."

"Good. Make an appointment with our human resources department. The staff will help you do a career assessment to decide what you want to do and how you can do it."

"Congratulations again, Ellen," says the district manager. "That's the third year in a row your unit has had the best sales record. You've earned the biggest bonus we've ever given."

"Thanks, but now what? I've done just about everything I can here, and I really don't want to leave the area—or this company. It just seems to be getting harder and harder to keep myself revved up."

"I know. This job is too easy for you. That's why I'm offering you a really tough one. I'd like you to take over our Euclid Avenue store and bring it up to par. How about it?"

Scenes like these occur frequently because many managers reach career plateaus—positions at which they face delays or complete stops in their climb up the corporate ladder. The plateaus may be organizational (the company has too many candidates for too few promotions) or personal (the employee does not have the right skills or personality for the job).

Reaching a career plateau is not always a problem for either the employee or the company; many people find a job they like with adequate compensation and perform it well for years.

All too often, however, career plateaus do mean discontent for the employee and loss of profit—through poor performance and turnover—for the company.

Because the problem is both common and serious, many foodservice companies have developed strategies for dealing with it through both short-term problem-solving techniques and long-term preventive programs.

Preventing a crisis . . .

Whatever the strategy, the first step is to identify plateaus that are becoming problems. When a supervisor is aware of the potential for a problem—perhaps because of something as simple as the length of time the employee has been in a position—recognizing it is relatively simple.

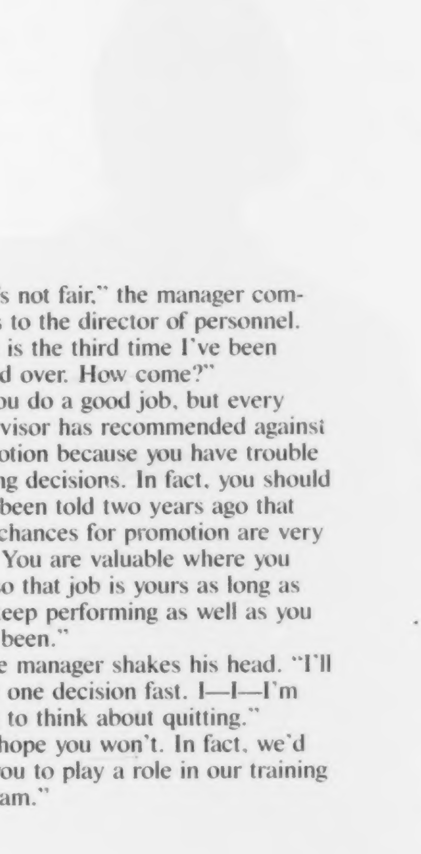
Marshall Huffman, vice-president of operations, American Diversified Foods (Bloomington, IN), relies heavily on observation in the 11 Arby's he supervises. According to Huffman, "The crew in the store takes on the personality of the manager. If the manager is happy, the staff is happy."

Huffman also spots possible problems and promotion potential during monthly two-hour training sessions in which the managers determine the topics and give brief presentations, and he supplements quarterly performance reviews with informal discussions with the unit managers.

Carolyn Mulford is a freelance writer based in Washington, DC.

Plateaus

by Carolyn Mulford



"It's not fair," the manager complains to the director of personnel. "This is the third time I've been passed over. How come?"

"You do a good job, but every supervisor has recommended against promotion because you have trouble making decisions. In fact, you should have been told two years ago that your chances for promotion are very slim. You are valuable where you are, so that job is yours as long as you keep performing as well as you have been."

The manager shakes his head. "I'll make one decision fast. I—I—I'm going to think about quitting."

"I hope you won't. In fact, we'd like you to play a role in our training program."

At Collins Foods International, headquartered in Los Angeles, CA, the emphasis is on anticipating—and thereby avoiding—personal and organizational plateau crises. Chief executive officer James A. Collins, an NRA board member, is concerned with making sure people are "in the right slot." Each year managers are asked to fill out career assessment forms to indicate where they want to go in the organization. Then the company tells them what they need to learn to get there. Collins offers its own management courses, including workshops on such topics as career planning, stress management and systematic problem solving as well as a week-long program called Management Motivation, Performance and Improvement that helps middle managers analyze what they want to do in the growing and diverse company.

Anticipation is also the strategy at the Saga Corporation in Oakland, CA. Gary Wimp, vice president of management and development, studied career transitions to determine when and under what conditions his company could expect career plateaus and how to construct individual strategies to prevent these plateaus from reaching a crisis point.

Four major transitions . . .

He found that most employees have four major transition points: during their twenties when they just come out of college and are beginning a career, during their thirties when they are starting to be less mobile and are realizing that soon they may reach a career plateau, during their forties when they confront the mid-career crisis, and during their fifties when they are anticipating retirement.

Based on this study, Saga will begin a Career and Life Management (CALM) program this fall. A central feature of CALM is a one-day workshop where managers will learn, among other things, how to prepare for the transitions by mapping out a life-long plan that identifies both their career and life goals. "We must let people know that it's alright to make a lateral move or even move down if it

Satisfaction clues

Satisfied managers

- Feel that what they are doing is vital to the success of the company
- See themselves as relatively indispensable in their jobs
- Do work they find interesting and challenging
- Participate in community activities
- Have supervisors who try to provide interesting and challenging work assignments

Dissatisfied managers

- Often receive better evaluations than they earn
- Are less active than other managers in adopting new technology
- Are unwilling to adapt to changes in the work environment
- Narrow the scope of their jobs and show little interest in understanding their supervisors' positions
- Often consider themselves too good for their jobs
- Are unwilling or unable to do better work to meet higher expectations.

(Adapted from Managerial Career Plateaus, *by James A. F. Stoner, Thomas Ference, E. Kirby Waren, and H. Kurt Christensen; Columbia University, 1980.)*

is right for them. We are starting to address that through the CALM workshop, which emphasizes 'whatever you choose is okay.'"

Other preventative measures at Saga include an annual career counseling session (separate from evaluation) with one's supervisor in which both parties look ahead five years and develop a career plan with specific steps to be taken.

Saga also uses counseling, with an outside consultant, to help with special problems, such as a demotion. Counseling is available for the spouse as well as the employee because many supervisors point out that part of the stress of the career plateau comes from the unrealistic expectations of the employees' family and friends.

When advancement is not an option . . .

No matter how carefully a company guards against surprises, however, some situations come to a head unexpectedly and require immediate action. Doing nothing often results in employees' resigning or becoming so discouraged they become ineffective and have to be let go.

Money—in the form of salary increases or bonuses—sometimes helps, at least for a little while. But most managers concerned with career plateau problems emphasize that money—as long as it is at least equal to what could be earned in comparable positions—is not as important as other factors, such as challenge, opportunity, status and self-satisfaction. For unit managers, a fifth factor—regular working hours—is often key.

Surveys tend to bear out these observations. The 1983 *Restaurants and Institutions Job Study* showed low salary ranked first (30.3 percent) of major career worries among all employees, but close behind were feeling too much stress (27.4 percent) and little room for advancement (25.2 percent). Significantly, wanting more room for advancement was the single biggest reason given for leaving the last foodservice job (25.8 percent).

But what does the supervisor do when advancement—at least at the moment—is not an option? How does the supervisor stir in the vital ingredients, such as challenge, without creating a new product? The three opening scenarios indicate some of the answers: offer training that will qualify the employee for a promotion when it becomes available, transfer the employee to a like position that requires superior skills or, alternatively, add more challenging responsibilities to an employee's work load.

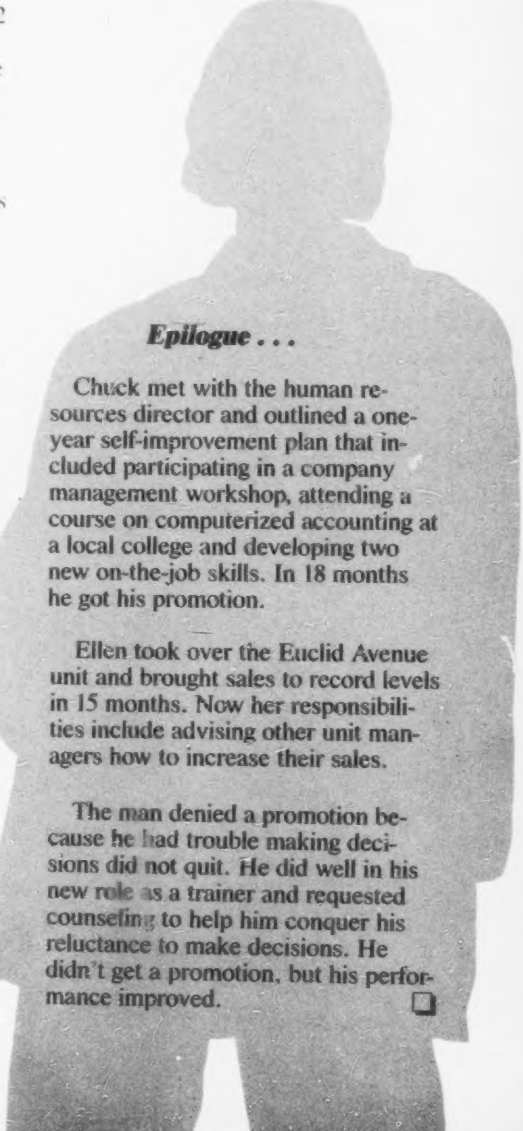
Dennis Zaia, director of human resources at Creative Gourmets Limited (Boston, MA), maintains that "there are always mechanisms for expanding a job to meet a person's needs."

One way he encourages steady growth is by assigning special projects, such as a corporate cafeteria manager supervising the preparation and delivery of 2,000 box lunches for a Boston Symphony event. Zaia says that such activities combat boredom, "one of the precipices upon which people climb to get to a plateau."

Involvement in training others seems to be another favorite technique for helping an employee survive the career plateau because it gives added status and recognition much in the same way as a promotion would, provides new stimulation and usually adds a bit to the paycheck. Similar in effect are assignments to prepare special promotional materials, to assist in sanitation inspections in other units and to conduct research to be shared with other managers.

Not all special projects mean extra pay, of course. Huffman of Arby's sometimes encourages his managers to take part in community events. It is good public relations, and "it gets them away from the store, which may be necessary to prevent tunnel vision." For example, one of his managers wears company T-shirts as he competes in bicycle races.

Lateral transfer is another popular option, although Zaia cautions that "a transfer helps only if there are limited opportunities where the person is and more where that person is going."



Epilogue . . .

Chuck met with the human resources director and outlined a one-year self-improvement plan that included participating in a company management workshop, attending a course on computerized accounting at a local college and developing two new on-the-job skills. In 18 months he got his promotion.

Ellen took over the Euclid Avenue unit and brought sales to record levels in 15 months. Now her responsibilities include advising other unit managers how to increase their sales.

The man denied a promotion because he had trouble making decisions did not quit. He did well in his new role as a trainer and requested counseling to help him conquer his reluctance to make decisions. He didn't get a promotion, but his performance improved. ☐

Part three of a three-part series

Financing the New Restaurant

by Maurice P. Minno and Rohit Bhayana

Traditionally, the restaurant business has been plagued by a high failure rate, making it unattractive to many investors and lenders. However, the probability of failure can be overcome with preplanning and hard work. Some of the preplanning issues were discussed in parts one and two of this series, "Planning a New Restaurant." Part one in the May 1985 issue of the ***NRA NEWS*** presented a practical approach to conducting your own market and feasibility study, and part two in the June/July 1985 issue of ***NRA NEWS*** concerned the project planning team.

In this article, we discuss the most often used financing vehicles for new independently-owned restaurants.

The first step in financing a restaurant is to determine how much capital or development money you need. Some typical costs include

- Land or real estate
- Utility deposits
- Rent deposits
- Business licenses, permit fees
- Insurance premiums
- Business incorporation costs, including trademark registration
- Professional fees for a lawyer, foodservice consultant, architect and other members of the project planning team (see "The Project Planning Team," article two of this series)
- Furniture, fixtures, and equipment
- Kitchen smallwares
- Tabletop settings
- Landscaping
- Uniforms
- Printing
- Graphics fees
- Pre-opening marketing and advertising
- Pre-opening payroll, food, beverage, and supplies and
- Working capital for six months to a year to cover possible losses.

Whose money? . . .

Next you must decide how much of your own capital you want to contribute and how much money you want to borrow. Most often, the less you contribute, the less control you have of the restaurant.

Another factor you should consider is how much debt can be covered by the cash flow of your restaurant. Borrowed money has to be paid back usually in the form of regular monthly payments. Equity contributors only need to be compensated when profits are available. A restaurant ladened with a large debt may fail even before it has a chance to succeed.

Forming partnerships . . .

Due to the risks, capital requirements and time constraints, restaurateurs often form partnerships to spread the risk and provide much needed capital and time. As an added benefit, partners may complement each other's skills and experience, increasing the chances for success.

Basically, partnerships may be formed informally by a group or formally through a limited partnership syndication. Limited partnership syndications, often used as financing vehicles for restaurants, are usually organized with one general partner and one or more limited partners. The general partner is fully responsible for managing the restaurant and is liable for all debts and legal obligations. The limited partners' roles are basically those of passive investors who have no say in the management of the restaurant. Their benefits lie in the appreciation and tax benefits of owning real estate.

Even for an informal group, a qualified lawyer should be retained to prepare a partnership agreement that complies with the Securities and Exchange Commission (SEC) regulations and securities related regulations in your state.

To protect the interests of all persons involved in a limited partnership syndication, the SEC requires that partnership solicitations be documented through a private placement memorandum. This complex legal document describes the:

- legal organization of the proposed business
- expected proceeds
- management qualifications of those running the restaurant
- restaurant concept and expected competition
- target market area
- income tax consequences
- investment objectives
- legal duties and responsibilities of the partners
- profit distribution policies and financial projections and
- other items that might be needed.

Securing a loan . . .

Bankers, traditionally conservative, are leary of making loans to restaurants since, historically, they have a high failure rate. To sway bankers from their conservative perch, you need to do your research. Bankers generally require these prerequisites before granting a restaurant loan:

• A well thought-out concept. This should be presented as a written business plan (see sidebar). The plan does not need to be composed of great prose. An outline will do the job if all points are covered.

• A market and feasibility study. Your knowledge of your concept, market potential and competition should be fully discussed in the business plan. You must be able to define the marketing niche in which your restaurant will operate.

Maurice P. Minno is a principal and Rohit Bhayana is an associate of MDR Associates and the Food Design Workshop in Fairfax, VA, a professional hospitality management consulting firm, specializing in restaurant development, menu development, and kitchen design.

- **Proven management success.** An operator who has another successful restaurant is an attractive borrower for a banker. In lieu of previous ownership, you should have considerable experience operating the type of restaurant that you now want to open.
- **Personal equity capital.** If you do not pledge your personal assets as collateral, banks will often not consider the loan.
- **Operator owned and managed.** Banks tend to lean towards operators who will own and run the restaurant themselves. They feel an owner/operator is more likely to work the long hours needed to make a restaurant successful since his livelihood depends on it.

Also be prepared to overcome the banker's concerns about the lack of proper management among independent restaurateurs. Demonstrate that you have plans to avoid these common pitfalls:

- Not paying enough attention to the financial aspects of the business.
- Undercapitalizing the project so there are limited cash reserves during the initial lean months.
- Not having the expertise needed to control costs and develop procedures for controls.
- Underestimating the competition and overestimating the market's potential and
- Choosing the wrong location.

One banker we met with was surprised at the number of times he had seen a particular site made into a restaurant, only to repeatedly fail. He questioned the judgment of those who tried to make a bad location work.

Commercial lending officers for large banks recommend small local banks as a first source of funds. They maintain the smaller banks are more attuned to the local market in which the restaurant may operate, and they tend to cater to smaller businesses more than larger banks do.

Most banks are willing to negotiate flexible payment terms that coincide with the restaurant's cash flow. In the initial months, interest-only payments may be made, holding off the principal payments until the cash flow increases.

An outline for a sample business plan

All lenders, potential lessors and equity contributors have one demand in common: a well-researched and documented business plan backed up by valid assumptions. The sample business plan outline presented below could be used either to prepare your own business plan or to check one prepared by a consultant.

I. Cover letter

II. Executive summary of the business plan's contents
  A. Restaurant name and location
  B. Expected market and competition
  C. Concept description
  D. Management expertise
  E. Summary of financial needs and applications
  F. Short and long-term earnings projections and potential return to investors

III. Introduction
  A. Background and concept review
  B. Industry and population dining trends which affect concept
  C. Management's recognition of restaurant industry characteristics and the demands it places on managers/owners
  D. Why the concept will succeed

IV. Concept discussion and marketing plan
  A. Restaurant name with rationale
  B. Menu description with rationale
  C. Service style description
  D. Number of seats
  E. Days and hours of operation
  F. Decor and atmosphere, including uniforms and graphics
  G. Entertainment
  H. Pricing
  I. Promotional activities with time schedule

V. Market analysis
  A. Market statistical and demographic analysis
  B. Primary market area discussion
  C. Secondary market area discussion
  D. Competition
  E. Discussion of local market trends

VI. Management plan
  A. Form of business organization
  B. Principal management members with resumes
  C. Schedule of activities required for successful operation

VII. Financial analysis
  A. Financial statements for three to five years
  B. Capital and development budget
  C. Cash flow and break-even point analysis
  D. Detailed assumptions supporting the financial projections
  E. Analysis of projections, comparison with industry ratios
  F. Projected application of funds received
  G. Potential return to investors

Getting help from the SBA . . .

Despite the attempts to abolish the Small Business Administration (SBA), Congress has elected to keep the 32-year old agency. Even so, the funds available for direct SBA loans for restaurants other than those owned by the handicapped or veterans may be eliminated. SBA guaranteed loans, however, will continue to be available.

The SBA, established by a congressional mandate, has a mission to aid, counsel and assist small businesses in meeting their financial needs and tackling other business-related problems. Even though they may be known as the lender of last resort, they are actually a loan guarantor or cosigner.

Basically, the SBA provides a gaurantee up to 90 percent and a maximum exposure of $500,000. The loans are typically made by financial institutions, such as banks and savings and loans.

To qualify for a SBA-guaranteed loan, you need to display that you have attempted to obtain financing from other sources, especially a bank. In cities larger than 200,000 people, the SBA requires refusals from at least two banks before you can apply to the SBA. Besides the refusal criteria, you must meet the SBA's definition of a small business, which most restaurants do.

Sources for financing restaurant start-ups

Type of money	Source
Equity	Personal funds, limited partnership syndications, private stock offerings
Debt	Personal loans from family or friends, bank loans, landlord-carryback, lease or contribution, SBA-guaranteed or direct term loan, real estate investment trusts (REIT), urban development grants
Combination debt/equity	Venture capitalists

Although it may be possible to obtain SBA guaranteed financing by a bank, SBA standards are stringent. The SBA requires a well-thought out, documented business plan. It also looks for collateral as security for the loan.

The leasing alternative . . .

For many restaurateurs, lease financing is often the best option because it requires minimal up-front capital. On the negative side, you have less control of your operation since you must comply with the landlord's demands.

Although obtaining a restaurant lease may be less financially draining than a loan, it is still as demanding when it comes to your business plan. Landlords are looking for a stable business to provide them with a steady cash flow. They want someone who will occupy the site for several years so that they do not have to perpetually find new tenants.

Landlords, like banks, have concerns about the cost of converting bankrupt restaurants into useable commercial space. Once a space has been made a restaurant, it has limited other uses since the initial installation of equipment and furnishings must all be removed before the area can be rented again. According to Matt McCormick of Coldwell Banker in Washington, DC, landlords also note that many restaurateurs looking for leased space do not come prepared with specifics, such as architectural sketches, menus and financial statements. For some reason, restaurateurs feel that the landlord does not need to know all the particulars of their restaurant. Yet, according to Matt McCormick, landlords regard a detailed business plan as an absolute necessity to obtaining a lease.

Since many small operators lack a written plan, a realtor and landlord are prone to work with larger, established chains where the risk is minimized. The only way for the independent operator to combat this is with an organized, carefully thought-out presentation based on solid research and sound assumptions.

Lease terms . . .

All terms of a lease are negotiable and usually depend on your relative financial strength and the attractiveness of your proposed restaurant. Typically, though, you must pay all real estate taxes, maintenance costs, utilities and insurance. The lease payment is dependent on the level of improvement which the landlord provides and his perception of your restaurant. If the landlord views the restaurant as a facility that will enhance the image of his project, he may offer very favorable lease terms and may even express interest in buying an equity position in the business.

What landlords provide varies. Some will just provide the shell of the building while others provide a complete turn key operation, minus only the staff, food and beverage.

Lease payment arrangements also vary. Some options include:

- A minimum monthly rent plus a specified percentage of gross sales.
- A minimum monthly rent or specified percentage, whichever is greater.
- A minimum monthly rent plus a percentage of sales once they exceed a certain level.
- A flat monthly rental fee.
- A flat percentage of monthly sales.
- A sliding percentage of gross sales where the percentage decreases as volume increases.

Besides leasing the real property, it is typical to lease the equipment often with an option to buy. Equipment leases are usually for a flat monthly fee. In the past, equipment dealers would serve as lessors; however, now most refer operators to local banks or leasing companies.

Other sources . . .

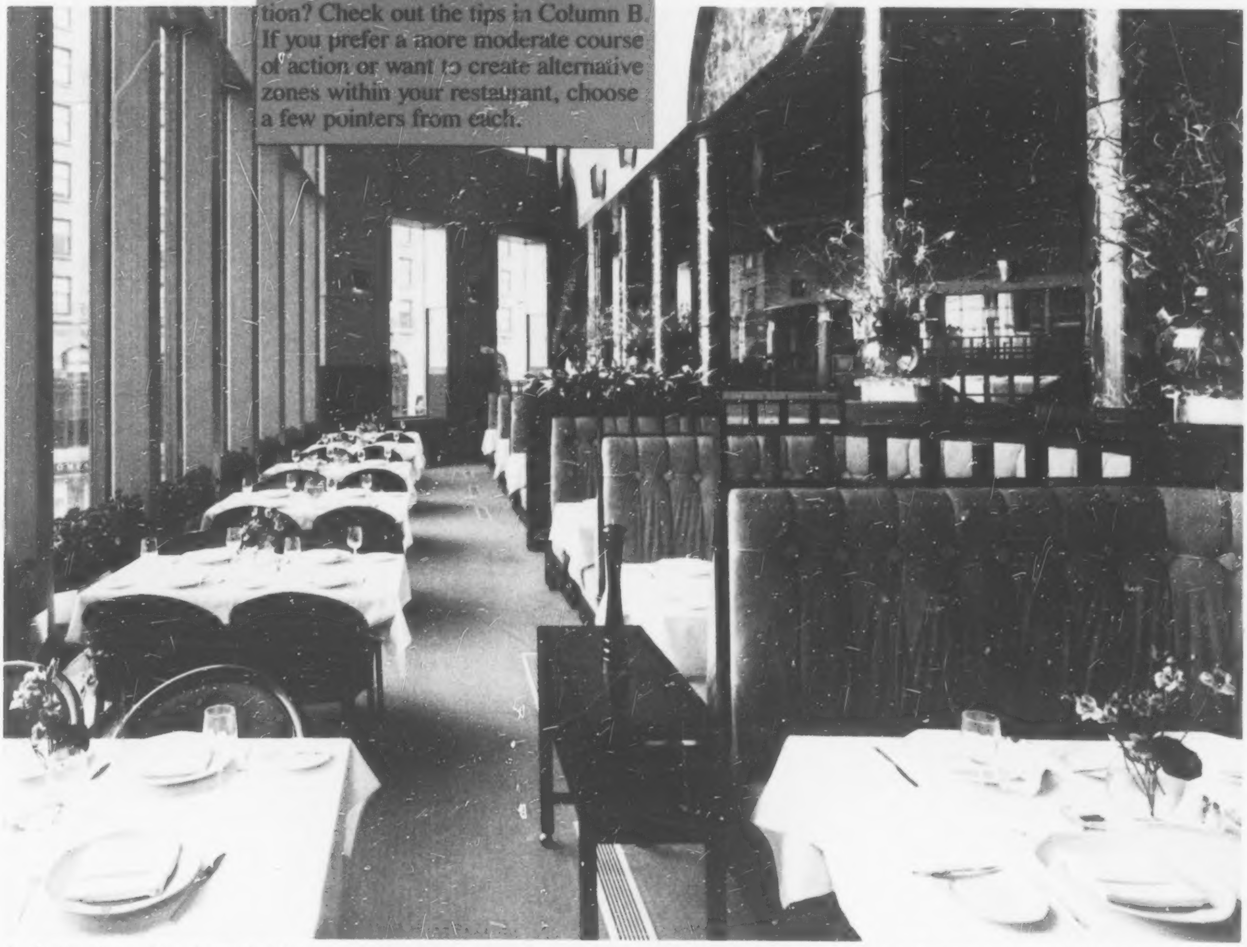
The sources for capital discussed in this article are the most common ones. However, other financial sources are available to restaurateurs, such as private stock offerings, real estate investment trusts, urban development grants and venture capital. These alternate capital sources tend to offer minimal restaurant financing. They should be approached only after the more common sources have proven futile.

In sum . . .

Finding financing for start-up restaurants is a difficult task. However, by understanding the concerns and requirements of potential lenders and conveying your understanding through a detailed business plan, you can greatly increase the chances of securing financing for your restaurant. ❑

Does your restaurant cater to the person who craves privacy and peace? Then follow the guidelines in Column A. Or do you long for the customer who gravitates to crowds, noise and action? Check out the tips in Column B. If you prefer a more moderate course of action or want to create alternative zones within your restaurant, choose a few pointers from each.

TWO WINNING



At Spiaggia, a Northern Italian restaurant in Chicago, IL, comfortable booths and marble columns help subdivide the large open space, which provides increased intimacy.

A The Quiet, Intimate Restaurant

1. Use a series of small dining areas or partitions to subdivide the space.

2. Choose tables that reinforce the nature of the space. Booths are the most private, with four-tops second.

3. Use tables of modest proportions so customers can sit closer to one another than to other customers.

4. Place tables creatively to help customers avoid unwanted eye contact, which many customers find more intrusive than physical proximity. Arranging tables at angles is a key to preventing customers from locking eyes with other diners .

5. Keep in mind that the majority of people prefer sitting "corner to corner" with their dinner partners or sitting on opposite sides of the table. Few people prefer side by side seating in a booth or banquette because it is hard to make the eye contact that is essential to normal conversation.

6. Space customers evenly around the dining area, especially when it is not crowded.

7. Reserve a separate room for waiting customers or route them immediately to the bar so customers who are already dining need not suffer the hungry stares of the latest arrivals.

8. Rely on muted lighting as well as subdued colors and textures to focus the attention of customers on their own tables.

9. Play soft music to blur the sound of conversation.

10. Blunt the sounds with lush carpets and drapes.

11. Use the bar only as a holding area; handle most of the bar service at the tables, which are more private.

12. Screen the kitchen from the dining area so that customers are not assaulted by noise and light every time the door opens.

FORMULAS FOR PERSONAL SPACE

Friends and strangers share tables at Durgin Park in Boston, MA, generating the bustling, comfortable atmosphere at the New England-style eatery.

B The Friendly, Bustling Restaurant

1. Make sure the entire bar or dining area is visible the moment a customer enters your establishment.
2. Favor four-tops in a large open area or banquettes.
3. Stick with tables of modest proportions. In a bar, use small tables or low ones that minimize the distance between members of a party.
4. Choose flowing graphics or other design elements that make people feel linked to one another.
5. For a no-nonsense atmosphere, such as that of a family restaurant, keep the light level high. To make customers think they have arrived at a party, not a restaurant, keep it low.
6. If there is music or live entertainment, keep the volume moderately high.
7. Use a high level of acoustics to make sound carry. Techniques include eliminating ceiling tiles and installing tile or wood floors.
8. Choose a center core bar or one with a loose, open-ended arrangement of seats that does not shut anyone out. Angles and oddly shaped nooks will create more visual interest and incentive for people to move about and talk.
9. Locate the waiting area near the dining room, so people at the tables will feel gratified they picked such a popular restaurant.
10. Forget the kitchen door. Involve customers in the preparation of their food by knocking down part of the kitchen wall, opening an oyster or sushi bar or grilling steaks in the dining room. This will draw customer attention away from their tables and will encourage contact with others. ☐

—Toni Lydecker

Ceiling tiles of varying angles and fabric-wrapped wall panels are effective sound deflectors at Windows on the World.

NOISE CONTROL STRIKING THE RIGHT ACOUSTICAL BALANCE

by Pete McCall

Several years ago, an elegant restaurant in a large sports facility was fully renovated; and its dining room was handsomely finished with a carpeted floor, good furniture and a ceiling of natural oak boarding. But, as soon as the restaurant opened, it was painfully apparent that the dining room was an acoustical disaster. Even when partially occupied, it was intolerably noisy. To remedy the situation, an acoustics consultant recommended covering the 5,000-square-foot oak ceiling with sound-absorbing material. Convinced that a covering was necessary to absorb the sound, the owners installed a fabric-faced fiberglass board treatment over the oak boarding and then covered this with narrow oak slats, spaced six inches apart. Although the extensive remedial work wasn't cheap, it did solve the problem, and today the dining room is reasonably quiet.

As this example illustrates, all too often restaurants don't understand the effect of noise control until there is a problem. Yet today noise control has become such an important part of America's restaurant scene that many restaurant critics note unduly high noise levels in their reviews.

What is restaurant noise? . . .

The noise we hear in restaurants is made up of a combination of sounds: people eating and talking, waiters serving and cleaning, rattle from kitchens, vibration from the ventilation system and background or live music. Restaurant noise is typically between 20 and 30 decibels higher than office noise—in other words, four to five times as loud, according to BBN Laboratories, Inc., a subsidiary of Bolt Beranek and Newman, Inc. (Cambridge, MA).

"A restaurant is generally considered quiet if people can easily converse with their dining companions without being bothered by activity noise or the conversation of others," says Jack Curtis, architectural acoustics consultant of BBN Laboratories.

While too much noise makes a restaurant unpleasant for most people, too much quiet in a dining space can also be unappealing, especially for diners who can overhear the intimate conversation of others; what's worse, they know their conversations can be overheard.

In a restaurant where tables are closely spaced without dividing screens, the background sound is controlled largely by the level of conversation of many diners, resulting in much more noise than is usually heard in an office environment. If the space is finished with hard, sound-reflecting materials, the levels of speech may be so high that people have to shout to be heard. Such conditions create an unpleasant dining environment.

How to control noise . . .

While some restaurants continue to thrive on noisy conviviality, many are now beginning to respond to customer demand for noise control. According to Cyril M. Harris, the acoustical consultant for the Kennedy Center in Washington, DC, and the Lincoln Center in New York City, two principal methods of noise control are (1) increasing the acoustical absorption of the interior space since noise levels diminish as the amount of absorption increases and (2) isolating interior noise, thereby preventing or reducing

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Pete McCall is the news desk manager at the American Institute of Architects in Washington, DC.

the transmission of noise into the dining space.

Some ways to increase sound absorption include good carpeting, upholstered furnishings, draperies, wall hangings, distance between tables and acoustically treated ceilings.

Ceiling treatment: Experts agree that the most important surface in the room for control of noise is the ceiling because it is usually a room's largest surface. "Many restaurateurs don't think they have enough money at the onset so they either ignore acoustical treatment or install cheap materials—and then end up paying much more in the long-run in patch-up jobs," observes Mark Schultz, vice president of Sound Systems, Inc. (St. Louis, MO). This is a mistake. A good ceiling treatment should be developed at the onset of a restaurant's design and construction, not years later.

A dining area's ceiling material should be an efficient sound absorber, absorbing at least 65 percent of the sound generated, according to BBN. If the ceiling is hard and sound-reflecting (wood, plaster or concrete), sounds will spread everywhere with little reduction, and noise levels will build up. If the ceiling is sound-absorbing, much less sound is reflected to the other areas, and the sound level falls off as one moves away from the talker.

The essential element of any sound absorbing treatment is the sound absorbing core. Many consultants believe this core should be at least three-fourths of one inch thick and preferably made of a fiberglass product. Acoustical plaster is virtually worthless, Curtis maintains, and wood strips on a rough textured material alone will provide no sound absorption. Acoustical tiles—as long as they are not painted over—or fiberglass panels faced with fabric, wood slats, perforated metal facings or grilles are efficient alternatives.

Partitions and Levels: Moveable partitions and different dining levels between private dining rooms also help absorb sound. At Windows on the World (New York, NY) patrons can dine and converse in comfort while viewing the New York City skyline because the restaurant took steps to control noise at the onset of design and construction in 1970. Sound absorption was challenging. The unshaded glass windows, which provide the ambiance for the restaurant, create reverberation that could have been disturbing. But the interior design team from Warren Platner Associates (New Haven, CT) provided an acoustical solution. First came such standard treatments as acoustical tiles on the ceiling, carpeting in the main dining room and special wall treatments, including fabric-wrapped panels. What further helped control noise were different levels of dining spaces and movable partitions between private dining rooms.

Different dining levels also help control noise in Seattle's landmark seafood restaurant, McCormick's, according to architect Fred Bassetti, who designed and owns the renovated building. The 141-seat restaurant—created from the adaptive use of a three-story transient hotel built in 1909—occupies four levels. Each level projects a "different mood," according to Bassetti. The brighter sounds come from the bar on the upper level while softer echoes are heard in the dining levels below.

Carpeting, draperies and furnishings: "Carpeting is particularly helpful, where practical considerations permit its use because it not only supplies such absorption but also reduces footfalls," says Harris in his acclaimed book *Dining by Design*.

In selecting carpeting to achieve maximum noise control, Harris suggests following this guideline: "The greater the face weight (i.e., the weight per unit area of the carpet pile), the greater the sound absorption." This means that absorption increases with pile height, assuming all other characteristics of the carpet are the same. And though cost obviously goes up with an increase in faceweight, it is important to recognize that the wearing qualities of the carpet also increase.

Properly selected furniture in an interior space can also contribute significantly to the overall sound absorption in a room and can thus reduce the general background noise within it. For example, noisy restaurants can be improved by using smaller dining tables. These decrease the distance between talkers at a table, making conversation easier.

Furniture's ability to reduce noise often depends on its materials. "To provide significant sound absorption, the fabric used to cover furniture must be porous so that sound waves can penetrate the surface," says Harris. "Similarly, the padding beneath the fabric must be porous. Therefore, if a sponge Neoprene is used, it must be of the 'open cell' type."

Draperies made of porous fabrics can be effective noise reducers if their fabric is heavy and full. When they are near diners, draperies and wall treatments are especially effective.

"Our problem at the Shenandoah Country Club (Front Royal, VA) stemmed from the dining room's large expanse of glass. Without curtains and other acoustical treatment, this room would have been a disaster. Now, it's a very pleasant dining area," says Bill Peterson, president of Acoustic Architects, a division of Professional Sound Industries, in Fairfax, VA.

Kitchen noise: Although the noise of diners' conversation is a principal problem in most restaurants, there are occasions when kitchen noise can be annoying, especially to people seated near the serving doors. The simplest way to deal with this problem is to reduce the noise at its source: install acoustical materials in the kitchen itself, especially a sound-absorbing ceiling in the work area. Also, the entrance to the kitchen or the passageway between kitchen and dining areas should be finished with sound-absorbing materials, and dishwashers and ventilation fans should be resiliently mounted so they won't vibrate and radiate noise.

Of course, some restaurants thrive on kitchen noise activity because it becomes part of a restaurant's entertainment. Patrons at Little Joe's in San Francisco, CA, line up in front of the open kitchen as they wait for tables (often with drinks in hand), watching the chef and cooks prepare Italian dishes. The clatter of pots, pans and dishes as well as shouts of kitchen personnel seem to amplify the popular restaurant's comfortable ambience. Pig Heaven and Safari Grill are two New York City restaurants with kitchens in the middle of the dining areas, people can see—and hear—their food being prepared.

In sum . . .

Striking the right acoustical balance is a challenge that faces all restaurants. Patrons must feel psychologically comfortable to really enjoy their food. When there is too much noise, it can be jarring; when a restaurant is too quiet, it can be dull. Each restaurant must find an acoustical solution that is consistent with its concept and market. ❑

Restaurateurs Battle *No Shows*

When a celebrated New York restaurateur called a customer at 3 a.m. to remind him that his table was still waiting, that brash move made news from coast to coast. No less bold was the call made by a Houston restaurateur who tracked down a no-show customer dining with nine friends at a competing restaurant. "Do you know that you just cost me $500?" he bellowed. Although most operators don't go to such extreme measures to reprimand no-shows, many are taking steps to cut back on the problem.

by Sylvia Rivchun

On a typical Saturday last September, three or four reservations turned into no-shows at Cafe Provencal, an 80-seat fine dining, dinner-only restaurant in Evanston, IL. Today the number of no-shows is cut in half, and the restaurant has saved almost $500,000 in no-show losses. Contributing to the dramatic turnaround were new reconfirmation policies and a computerized blacklist of no-show offenders. "I don't think that people fail to cancel reservations purposely," surmises owner Leslee Reis. "I think that dining out for most people is what they do for pleasure. They don't think of it as a business. If they can't come, they don't take it seriously."

A look at the problem . . .

Study findings support Reis's impression. In a survey conducted by American Express, no-shows ranged from one percent in those restaurants where stringent measures were taken to combat the problem to 30 percent for New Year's Eve when there were no preventative measures taken.

As might be expected, reservation problems are not the same for all restaurants, for all times of the week. Hit hardest by the no-show problem are small fine dining establishments that have little or no walk-in business to bridge the gap. In a 60-seat restaurant, for example, if two tables don't show or cancel too late to be filled from a waiting list, that could mean 10 percent or more of that night's business.

Almost all restaurants find that they are especially vulnerable to no-shows on Saturdays and holidays. As Stuart Levin, owner of the Top of the Park, observes, "The public that dines on Saturday is usually not the regular customer." He points to the no-show problem at his own 120-seat restaurant on the 43rd floor of a Manhattan skyscraper. Although there is less than five percent no-show traffic on weeknights, the number almost doubles on Fridays, and for Saturdays it can reach as high as 20 percent. Restaurateurs speculate that inconsiderate diners often make reservations at several establishments for a Saturday evening and then decide at the last minute where they will go—leaving the alternates stranded."

There is no dining segment that can shoulder most of the blame for the no-show problem. Some restaurants point the finger at out-of-town business, while others swear that conventioneers are their most punctual patrons. In general, however, large parties are the greatest offenders. Even when they do show up, large parties often arrive in numbers smaller than that specified in the original reservation.

A look at the solutions . . .

Coming to grips with the no-show problem has been a difficult situation for most operators who pride themselves on their hospitality and their concern for their guests. "You spend your days thinking about how to please people," says Joanna Filomenia, owner of Filomenia's, a 199-seat fine dining establishment in Washington, D.C. "Now this surely doesn't fit into that category."

> " 'We are like fishermen with holes in our nets.' "

Although some operators don't believe there is much that can be done to encourage people to honor their reservations except to treat them so well that they will want to return, others are taking firm steps to raise the awareness of their customers and to hedge their losses. Solutions vary from verbal agreements and reconfirmations to more drastic measures, such as requiring deposits, overbooking and blacklisting offenders.

A consistent policy. No matter how a restaurant decides to handle the no-show problem, a policy that will be consistently followed helps assure its success—whether it concerns no-shows, confirmations, cancellations, late arrivals or changes in party size.

"We always answer the phone in the same way to everyone. We stick to the same rules for everyone. We do the same thing, year in and year out, and hope that our customers learn to accept the pattern," says Susan Wine, co-owner of the Quilted Giraffe, a 65-seat restaurant in Manhattan.

"You don't want to have to deal with the same problem from the same people over and over. If I tell someone on the phone that they can have a 7:00 reservation and they accept that reservation and then arrive at 7:45 and I seat them, where am I? They'll do the same thing the next week, and I've lost the turn on that table forever.

"You have to live within the rules," she says adamantly.

Verbal agreements. "It's important the public learn that when one makes a reservation, one makes an agreement. Agreements are meant to be honored," says Gordon Sinclair, owner of Gordon's, a 150-seat fine dining restaurant in Chicago, IL.

That is why he is very particular about the way his staff takes reservations. "Reservations enroll people into being in a restaurant. It's all in the conversation," he maintains. "We're very clear we're making an agreement, not just a reservation. For example, the hostess always asks, 'If there is any change in your plans, will you agree to call us please?' " The careful wording seems to work. "People do call back," says Sinclair. "I have more cancellations now than no-shows."

Reconfirming reservations. This is perhaps the single most effective technique for cutting back on the no-show problem. Although operators have implemented their own version of checking up on who's coming to dinner, the simple act of taking down a phone number increases the chances the guest will show up. Many top restaurateurs now require that customers—especially those in large parties—leave a telephone number and call to reconfirm the day before or by a specified time (generally about 2 p.m.) on the day of the reservation. If a customer fails to call and the restaurant cannot reach the patron, the reservation can be cancelled. This is especially important for Saturday, which operators agree is the busiest day in any restaurant.

To give them the confidence they need to give away a non-reconfirmed reservation, some operators have built in an additional step in their reservation process. One such procedure is used at Cafe Provencal. "We write a little 'wc' (will confirm) in the reservation book, which means that the reservation holders have agreed to call us. This makes me secure in cancelling the reservation if they don't call," says Leslee Reis.

Limiting advance reservations. Peo-

Illustration by Krawczyk

ple's plans change so often that accepting reservations too far in advance seldom pays off. Reinhardt Lynch, the innovative co-owner of the Inn at Little Washington (Little Washington, VA), a 50-seat restaurant in a small, comfortable inn, has observed that people who call too far in advance don't feel a personal commitment to keeping the reservation. That is why he does not accept reservations for more than three weeks in advance unless the customer is willing to put down a non-refundable deposit. "Very few people take me up on the deposit," notes Lynch, "even though some customers, at first, insist on booking a month or more in advance. The public doesn't feel the same responsibility to restaurants as they do to doctors or dentists."

Morning-after calls. "My aunt took sick." "The car broke down." "Didn't my secretary/wife/daughter-in-law call you?" These are some of the standard excuses restaurateurs hear when they check on no-shows the morning after. Restaurateurs call to ask, "Did we make a mistake? Is it for another evening?" "We give the clients the benefit of the doubt," says Don Dianda, owner of Doro's, a 150-seat fine dining restaurant in San Francisco, CA. "But at best we are like fishermen with holes in our nets."

Occasionally operators find that they have jotted down a reservation on the wrong day, and this gives them the opportunity to make amends. When the error is the customer's and not the restaurant's, the call is a gentle reprimand that can heighten a customer's awareness about the importance of honoring a reservation.

Overbooking. Following the lead of the airlines, some restaurants intentionally overbook a few tables, figuring they will get some no-shows. At Jasper's, a 73-seat restaurant that serves modern American cuisine in Boston, MA, the problem with no-shows is primarily on winter weekends, starting at 9 p.m. To circumvent this problem, the restaurant overbooks, overlapping reservations for that time period. This does not generally result in a problem, but occasionally everyone arrives. "By picking up one drink and explaining that we are backed up, customers are more than consoled because they can see how busy we are," says Julie White, the owner's sister. White books very carefully to make sure the wait is no more than 30 minutes.

At Cafe Provencal, overbooking is anathema. "I've been told that I should overbook by a table or two, but about once every four weeks everybody shows up," says Reis. "If you have a lot of tables or a one-hour dinner, that's one thing. You can deal with a 45-minute wait. You can buy a drink and serve an appetizer, give them a menu, the wine list, ask them to order. But we have two and two and one-half hour dinners. You can't say to someone, 'Your table is coming right up,' when you know damn well it'll be an hour and one-half. I won't do that to my customers."

Deposits. Generally, deposits are taken only for large parties and for special occasions, such as holidays. Signature dinners or special weekends present other opportunities. In some popular tourist spots, reservation deposits are required for all parties, but some establishments avoid this practice because they are afraid deposits will hurt return business from local patrons.

At Gordon's in Chicago, parties of five or more must put down a $50 deposit to secure a reservation. In other establishments the deposit for a similarly sized group could be double that amount. Gordon's has found that its no-show problem was cut back con-

Handling backups

Next to no-shows, the most perplexing reservation problem for restaurants is how to handle two overlapping parties for one table: how to move one party along gracefully while keeping the other party waiting patiently.

First, an operator must make sure that reservations are not booked too tightly. If reservations tend to overlap frequently, chances are diners need more time to enjoy their meals at the restaurant. One rule of thumb is the larger the party, the longer it takes for them to eat dinner. At Jasper's, deuces generally take two and one-half hours to eat dinner, fourtops take three hours, and larger parties take three and one-half.

Even if the amount of time is generous, occasionally patrons linger longer. When this happens, many operators, armed with the confidence of knowing that these patrons are spending more time than is the norm at the restaurant, approach their guests and tell them that there are people waiting for their table. Others are less direct, inviting them to have a complimentary after-dinner drink in the lounge or bar. Still others set systems in motion some time before the next party arrives.

"We know in advance to get these people moving," says Julie White, sister of the owner of Jasper's. "If we need a table for more than four people at 9:30, we let the kitchen know one hour ahead of time. At 9:00 we drop the check on the table. At 9:30 the maitre d' or hostess will explain that the restaurant needs the table and will ask them to move into the lounge to listen to the piano player. We are careful to do this diplomatically so it doesn't insult our customers."

At the front door, restaurateurs must ease the feelings of those patrons who are kept waiting. As Don Dianda says, "There are so many places people can go, they don't have to wait in line at your place. It's important that you welcome people to come in and dine."

What do restaurateurs do for patrons kept waiting? They often buy them a drink, send a bottle of wine with dinner, offer them a better table than promised or present a complimentary voucher for a free entree or dessert during the next visit to the restaurant.

At Common Plea, owner John Barsotti says he approaches the reservation holder. "We indicate that we had planned to have the table available at the appointed time," he says. "We apologize for the delay, explaining that sometimes we make a mistake but normally our estimates are accurate. We might then buy them a drink at the bar or tell them we will be sending a bottle of wine with dinner.

"Most people are satisfied with that," he adds. "On occasion someone gets very upset with the situation, but we are not building submarines. We are in the restaurant business. We just do the best we can."

siderably once customers sealed their agreement with cash. Of course, deposits are refunded if reservation holders call to cancel.

Jasper's in Boston also requires a $10 per person deposit for large parties. "It has happened that for a table of 16 on a graduation night only five people showed up. If they don't tell us in advance so we can rearrange the dining room, we charge them $10 per person for the missing members of the party. No one has objected," reports Julie White.

Deposits are commonplace for New Year's Eve and other popular holidays such as Mother's Day—varying from $20 per person to $100 or more per couple. Generally, patrons pay in cash or by credit cards, although vouchers must be signed in person to hold the reservations. The first year the Top of the Park implemented a deposit policy for New Year's Eve, no-shows shifted from 30 percent to ½ of one percent.

"Taking deposits is a nuisance on the nights that we have to do it, but it has cured the problem," says Leslee Reis. "If you are sitting on $20 per person, you can be sure the party will call you if they are not coming. The phone call is worth $40 or more."

Blacklisting no-show customers. "I have very few customer pet peeves, but no-shows is one of them. On a scale of one to 10, no-shows get a 10," says Reis. With such strong feelings about the no-show problem, it is no wonder that Reis took stringent measures to curtail its effects. Last year she began a highly publicized campaign of keeping track of no-shows on her personal computer.

When a customer makes a reservation and does not show up without calling to cancel, the maitre d' notes that fact in the reservation book. At week's end, the names are transferred to a list, which is alphabetized and once a month transferred into the computer. Two-time offenders are highlighted in color.

When a first-time offender calls back to make a reservation, the person gets a gentle reprimand. Reis illustrates: "We have a note on our files that you had a reservation for four people on the third of August. Unfortunately, you did not call us and you did not come. It is difficult for us to run a business that way. I will take your reservation this time as long as you agree to call should you not be able to come." Second-time offenders are refused a reservation. Has Reis done this? "Unfortunately, yes," she says, "but I do try to do it in a gentle way. We are in no way trying to be snobby, pretentious or judgmental.

"If we all work politely to make people aware that we won't accept no-shows—but at the same time let patrons know how much we appreciate their business—it will benefit all of us," adds Reis. One of her goals would be to have the top restaurants in a city exchange no-show lists. "In Chicago, if we had one universal list and stuck to it so that if anyone who didn't show at any of our restaurants wasn't given a reservation at another one, you'd be sure the no-show problem would stop pretty fast. This is not New York. In this town—and many others—if you knocked out the five best restaurants, there wouldn't be a lot of alternatives on the best restaurant scale."

No reservations. The most drastic solution to the no-show problem is eliminating reservations altogether or reserving them for large parties. That's what John Barsotti, owner of Common Plea, did. His 90-seat, white tablecloth restaurant in Pittsburgh, PA, hasn't suffered from the switch. People normally wait one to two hours for dinner.

Reservation pluses and minuses

Pluses

- **It's a service to the customer.**
- **It helps you plan your kitchen and dining room.**
- **It helps you compete with other restaurants.**
- **It is an opportunity to personalize service.** You can address a customer by name. People like to have their names remembered and to be called by their names. It makes them feel important.
- **It helps you develop a mailing list.** You can use a reverse telephone directory to find the patron's address.
- **It helps you keep track of service.** You can call a customer back to find out how things were, especially if you notice signs of dissatisfaction, such as a low tip on a charge slip.

Minuses

- **There are times when tables are empty when they could be full.**
- **Too much is left to chance.**
- **Reservations can be lost** if they are not jotted down in one specific place. Some operators have assigned one or two staff members, such as a maitre d' or manager, to cut back on this problem.

—Mike Parise

Other establishments don't accept reservations but will offer to give callers who say they are on their way the first available table after they arrive.

Other pointers. • Lynch, Filomenia and others have found that customers are much more considerate if they know the owner is on the premises. According to Lynch, in the eight years the restaurant has been in business there has never been a meal served without one of the two owners present. "We can recognize 70 percent of our customers," he says proudly. "People are careful to cancel because they want to come back."

Filomenia finds that she can easily persuade a lingering party to tie up their conversation; her staff—even when they use the same words—do not have the same success.

• When a reconfirmed reservation has not shown up and a walk-in patron asks to be seated, some restaurants call the reservation holders to see if they are on their way. If there is no answer and the party is very late, the table is given to the walk-in. (Be sure your patrons know how long tables will be held. Times vary from five minutes to half an hour.)

• By telling your customers your policies at the outset you can avoid misunderstandings. The Quilted Giraffe, for example, precedes all reservation requests with a lengthy taped message that includes such information as hours, largest party accepted, cost of dinner, closest parking garage and how far in advance reservations can be made.

Conclusion . . .

Operators are frustrated with the continuing no-show problem they face, but many are optimistic that increased customer awareness will help solve the problem. "It takes hard work and persistence. There is no easy answer, no easy solution to the problem," maintains Susan Wine of the Quilted Giraffe. "We have to work together," adds Leslee Reis. "We have to have patience for the public. We have to educate them. That's our job," concludes Stuart Levin. ❑

BIG ADVERTISING RESULTS ON A SMALL BUDGET

by Toni Lydecker

Restaurant ad: *A small square photograph of a restaurant dining room. There are no customers in view, and there is no food on the tables. In the background, the silhouette of a broadly smiling proprietor is barely visible. "We serve the best steaks in town," is all the copy says.*

Advertising experts vote thumbs down on this ad. "It belongs to a category I call 'marshmallow marketing'—a soft, ineffective way of presenting a product to consumers," notes Tom Feltenstein of the American Marketing Group, Inc. (Boca Raton, FL).

Even if a restaurant is on a limited budget, its ads are not doomed to be lackluster. With planning and ingenuity, experts agree, small restaurants can out-advertise national chains. They can react more quickly and precisely to community needs and events, and they have the flexibility to try somewhat risky but promising approaches. Moreover, the need for excelling in the advertising game has never been greater. "In metropolitan areas, especially, there is so much choice among restaurants that you can no longer count on customer loyalty. Where this is true, restaurants need to advertise more aggressively and more frequently than in the past," says Michael McDevitt of the Newspaper Advertising Bureau, Inc., San Francisco, CA.

Cleverness at no extra cost . . .

Many small restaurants are already rising to the challenge. For evidence that it is possible to advertise effectively on a modest budget, consider an ad run by a restaurant called The Atlantis in a recent issue of the magazine *San Diego*. A simple but witty line drawing shows two wine glasses chatting to one another about "The New Atlantis Brunch."

"Everything's new except the wonderful view," says one glass. The rest of the copy touches on several appealing reasons to come for brunch: free champagne, strolling violinists, a menu that changes weekly, a taco bar, omelettes made to order by a chef in the dining room. Every element supports the image the restaurant seeks to build: that of a sophisticated restaurant that is fun to visit.

A catchy slogan can often help fix a restaurant's name and identity in the customer's mind. The restaurant Boston Sea Party (Atlanta, GA), for example, uses the slogan: "In Atlanta, the place to get great seafood is Boston." The slogan for the White Fence Farm (Denver, CO), "The best food in town is down on the farm," says it all; customers can find good country food without ever leaving town. The phrase also positions the restaurant as a comfortable, yet somewhat informal, place to eat.

Here are several other restaurants that have used advertising flair to carve out a niche in a competitive market:

- **Steak Loft, Mystic, CT** (small ad in regional magazine). With the words, "Mystic's all-American menu," this restaurant conjures up memories of the town's great whaling past. The patriotic theme continues with a line drawing of Uncle Sam licking his lips over the menu and the statement, "Red meat, white fish and blueberry pie, our menu is loaded with food America loves to eat."
- **Club Catering**, a small Texas chain (ad in state magazine). The ad piques the reader's curiosity with the headline, "50 very good reasons to call Club Catering." The reasons turn out to be the operation's 50 master chefs, prepared to cook up successful parties for company clients.
- **Davanni's, Minneapolis, MN** (series of ads in *Creative Newspaper*). After taking over a successful pizza parlor called Pontillo's, the owner wanted to make the point—humorously and obliquely—that the food was as good as ever. One ad showed actor John Wayne with the caption, "When Marion Morrison changed his name, it didn't make him a bad guy." A second one featured Boris Karloff, star of innumerable horror films: "When he changed his name from William Pratt, nobody said boo." And so on. If the celebrity analogy holds true, the reader can only conclude that the restaurant will become infinitely more noteworthy under the new name.
- **Coco's/Jojo's, a small chain in Missouri** (large newspaper ad). The ad plays up catfish, a menu item somewhat unusual to the area. "Previously thought of as only a Southern specialty," proclaims the headline. Supporting copy explains how the fish are caught fresh in Tennessee, then shipped immediately on ice to Missouri. A pleasant line drawing shows the catfish and trimmings customers get for $6.99.

Creating new value in ads . . .

"Too many restaurant ads fail to invite action. To draw in new customers, you have to promote something," says Ron Plummer, president of Albert J. Rosenthal Group, New York City. He believes the best ads possess news value—that is, they offer a special occasion or other incentive beyond the restaurant's standard offerings.

The "hook" could be Sunday brunch, all the crabs you can eat on Monday night or a Lincoln's Birthday special. A promise to contribute 10 percent of sales to a local charity turns the promotion into a community service. To make all the preparation worthwhile, stretch a daylong holiday into a week; mom receives a special corsage or a discount on her dinner all week long, not just on Mother's Day.

Such an event is not limited to family restaurants, Plummer believes. A white-tablecloth restaurant could sponsor a wine seminar or a week of international dinners, spotlighting a different country each night.

Remember to coordinate promotion advertisements with events and patterns of life in your community. If the restaurant is in a college town, plan a special promotion during football sea-

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Toni Lydecker is a free-lance writer in the Washington, DC, area who writes frequently on foodservice topics for the **NRA NEWS**.

son, not during Christmas or spring break.

Promotions should be incorporated gracefully into the restaurant's overall image rather than overshadowing it. Jose Babushka's in Grand Rapids, MI, uses a cartoon character (Jose Babushka, naturally) to link the operation's promotional offers in a series of newspaper ads. This improbable character smiles his way, in changing attire, through ads promoting a Sunday buffet, happy birthday burrito dinners, oldies night and the 15-minute lunch express: "Your lunch served in 15 minutes or FREE!"

Where to advertise . . .

Most small restaurants invest at least part of their advertising budget in newspaper ads, which reach more consumers at a lower cost than any other medium. If your major local newspaper covers a broad metropolitan area, find out whether it publishes a weekly supplement directed specifically to your community; the lower circulation of such a section will be reflected in lower ad rates. Be sure to explore advertising opportunities in small community newspapers.

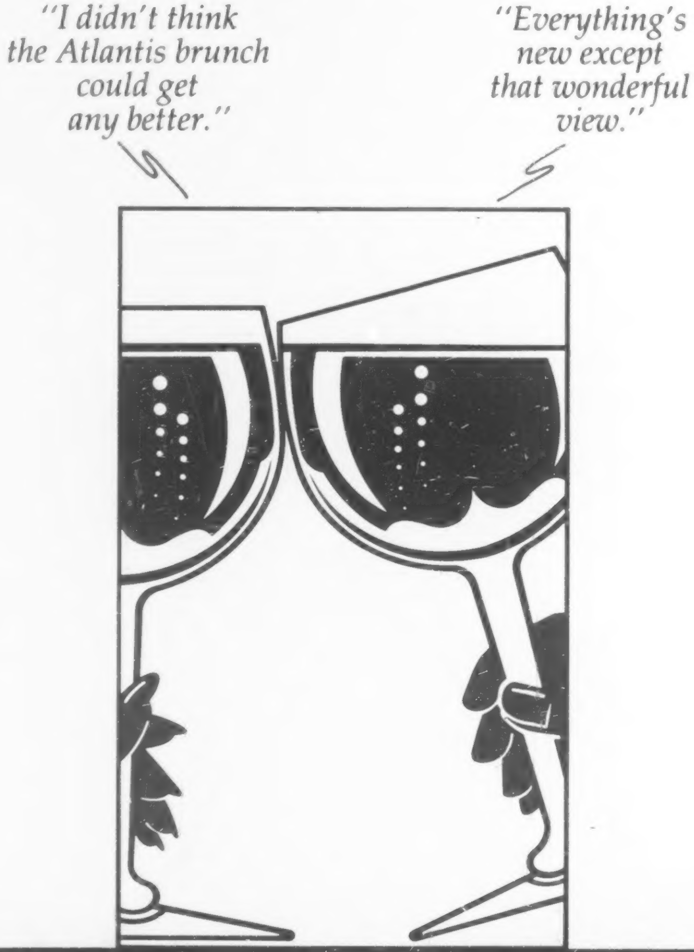
Magazine ads have aesthetic advantages over newspaper ads, offering color, glossy white paper and excellent reproduction of photographs. Rates are usually higher, however, so be selective. Advertising in a city magazine, either with a freestanding ad or as part of a dining/nightlife section, is often a good bet. A regional or special-interest magazine could also be appropriate—an inn in a rural area, for example, might advertise in a country-life magazine.

Radio ads offer another excellent opportunity to reach your target audience. Stations featuring classical music, talk shows or country and rock all reach different segments of the population, so be careful to choose one that fits your market.

In a radio ad, the tone of the announcer's voice and the soundtrack (if any) help convey what is special about the restaurant, just as graphics help perform this service in print ads. Radio copy must be written for the ear so that it resembles actual speech patterns. One advantage of a radio ad, observes advertising expert Bruce Bendinger, (Creative Communications, Inc., Chicago, IL) is that "you can whisper the message" because you have the undivided attention of the listener for a minute or so.

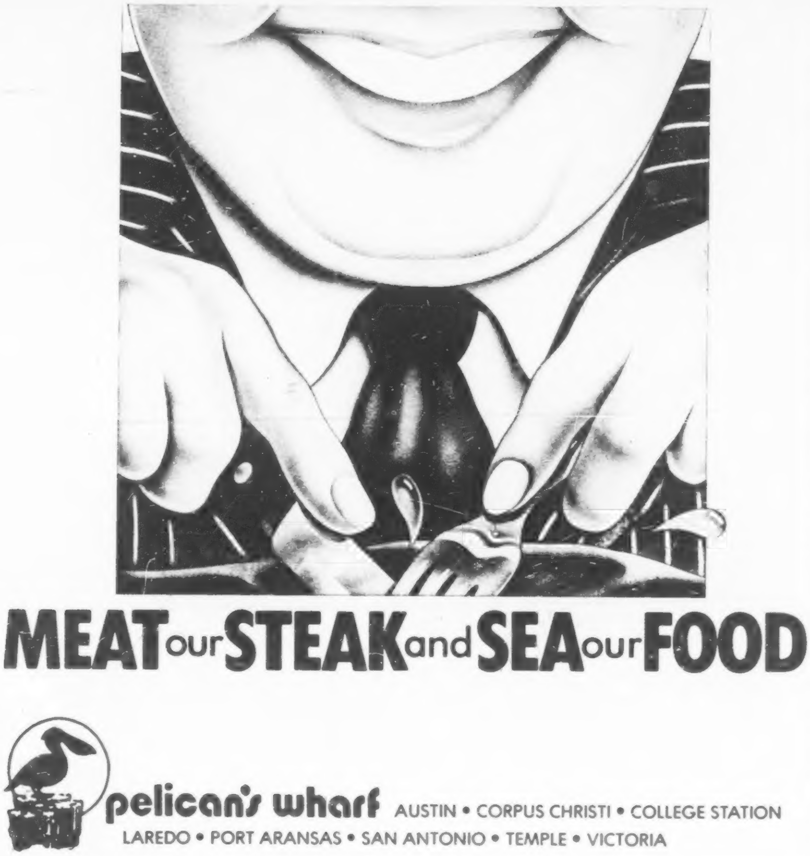
THE NEW ATLANTIS BRUNCH

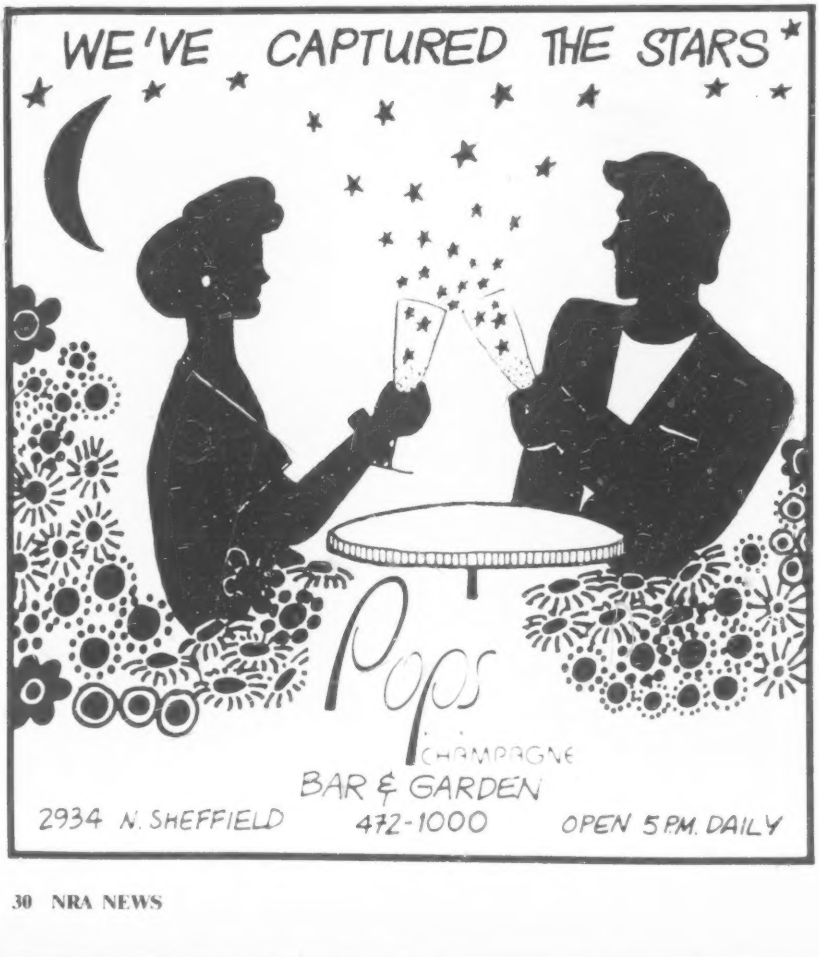
Complimentary champagne. Strolling violinists. And a fresh appeal each Sunday as our menu changes. Enjoy delicious hot entrees. Wonderfully imaginative salads. A terrific taco bar. And best of all, omelettes made to order. With the ingredients of your choice. Right before your eyes by an Atlantis chef. Every Sunday from 10 a.m. until 3 p.m. Reservations suggested, 226-3888



"I didn't think the Atlantis brunch could get any better."
"Everything's new except that wonderful view."

The Atlantis
2595 INGRAHAM STREET, NEXT TO SEA WORLD ON MISSION BAY


MEAT our STEAK and SEA our FOOD
pelican's wharf AUSTIN • CORPUS CHRISTI • COLLEGE STATION
LAREDO • PORT ARANSAS • SAN ANTONIO • TEMPLE • VICTORIA


WE'VE CAPTURED THE STARS
Pops
CHAMPAGNE
BAR & GARDEN
2934 N. SHEFFIELD
472-1000
OPEN 5 P.M. DAILY

You can contract with an advertising agency to supply the station with a produced spot. An easier and less expensive option is to give the script to the station and, as consultant Ron Plummer puts it, "let the DJ give it the Johnny Carson treatment." He adds, "If you're willing to let the station play around with the wording a little, you can often get a minute and a half when you're only paying for 60 seconds. If the DJ botches it, you can ask for extra plugs."

Restaurants have an edge over other small advertisers in courting the good favor of radio announcers: they can send over an apple pie or a bottle of wine with the advertising copy. Plummer recalls with satisfaction the time one client, a small Dallas restaurant, advertised on a radio talk show. Dinner was sent over, and the hosts ate it on the air, commenting on the food—and the restaurant—as they feasted.

Other advertising options . . .

Newspapers, magazines and radio shows are the most obvious advertising vehicles, but they are not the only ones. A small restaurant might also profit from one of these: low-cost ads in local entertainment guides, theatre

Essentials of successful spot ads

1. **Benefit headline:** Lets your customers know what they stand to gain.
2. **Dominant illustration:** Attracts the reader.
3. **Complete copy:** Easier to understand than long list of asterisks with lots of strings attached.
4. **Mention of any special features,** such as a new outdoor cafe or a fresh shipment of lobsters from Maine.
5. **Prices,** especially if part of a special promotion.
6. **Logo and complete address:** Tells customers who you are.
7. **Hours of operation:** Helps reader plan a visit.
8. **Telephone number:** Invites reservations.

—1984 NRA Marketing Conference

programs, shopping sheets, advertising tabloids, transit advertising, billboards and specialty ads on giveaways, such as matchbooks and pencils.

Pops, a bar and garden in Chicago, IL, is one restaurant that advertises in *Stagebill*, a monthly publication distributed during arts performances. In the July 1985 edition for the Goodman Theatre, the strong black and white graphic complements the message, "We've captured the stars."

Normally, such options will be minor items in your total advertising program. Given the right circumstances, however, one of them could become extremely important. A gourmet restaurant in a southern city served dinner to the mayor's wife a few years back. When she came down with food poisoning, the media had a heyday and the restaurant's business plummeted. Normal advertising was suspended in favor of billboard messages near the airport. Until the furor died down, about six months later, the restaurant's business came almost exclusively from out-of-town visitors unaware of the incident.

Special-offer ads can be reproduced as flyers and distributed in low-cost ways: hand them out in the restaurant itself; ask business neighbors who are not direct competitors to distribute a stack (and offer to reciprocate); pass them out at supermarkets, sports events and other community gathering spots. Or use a doorknob hanger format and deliver the ads door to door.

A vigorous advertising program should not overlook the importance of internal advertising. For effectiveness, word of mouth beats paid advertising, so give your current clientele something to talk about to their friends. Back up external advertising for a promotion with table tents, posters and menu clip-ons in the restaurant. Outfit staff with buttons or ribbons advertising the promotion, and train them to sell it.

When the ads go stale . . .

Spot a good restaurant ad and—generally speaking—you've found a restaurant with a strong identity, good food and enjoyable surroundings. When the main difference between last year's spring ad and this year's is the date, the restaurant itself may not be as interesting and vibrant as it could be.

If your own advertising seems dull, take a look at the restaurant itself. Try testing new items for the menu, rearranging the dining room or planning a weekend retreat for staff to relax together and discuss the restaurant's problems and future. Chances are that if you are excited about the restaurant, your advertising will convince customers to feel that way, too. ❑

How to start a solid advertising program

1. Know your audience. As the first step in creating a six to 12-month advertising and marketing plan, write detailed profiles of your current and prospective customers. Include information such as age, sex, education level, lifestyle and address. Research shows that 75 or 80 percent of restaurant customers come from three miles away (or 10 minutes by car); if your clientele fits this pattern, your program should concentrate on neighborhood advertising.

2. Identify the restaurant's strong points. Try to describe your restaurant's "personality" and position in the market. Does it have outstanding food, ambience, location, service? Be careful not to confuse your own attitudes with those of customers. Your ambition may be to serve the best barbecue in town, but if customers actually come in for your hamburgers, recognize this fact in your advertising plans.

3. Determine advertising objectives and means. Objectives could be to gain favorable media attention throughout the community, attract new customers, change the makeup of the clientele, increase overall profits. Dream up some general advertising approaches that might reach these objectives (or pay an advertising agency to do the creative work). Consider the pros and cons of various media for your purposes.

4. Set a budget. Think of advertising as an investment in the restaurant, not an expenditure to be made grudgingly. Many restaurants set aside a certain percentage of gross sales (typically, one to five percent) for the advertising budget. Although this policy simplifies bookkeeping and decision making, it may run counter to the restaurant's best interests. A business slump often calls for an increase in the advertising budget—not a cut. The budget for a particular time period must be considered in direct relation to advertising objectives.

5. Make specific plans. Talk with media representatives about the demographics of their audience, advertising rates, discount plans and services, such as graphics and copywriting. Build a media file of rate cards and other literature. Then, write detailed advertising plans, making sure to include expected results. Be as specific as possible. Often the flaws of an idea will become clear when it is recorded on paper, before any money has been invested in carrying it out. Pay careful attention to advertising frequency. In a market where customer preferences change quickly, it makes better sense to run small ads regularly than to place large splashy ads at greater intervals. Timing is important as well; Friday and Saturday are good days to advertise because that's when many occasional patrons decide where to dine.

6. Execute the plan. Whether you are working with an ad agency or directly with the media, supervise the design and production of ads to make sure they are projecting the right image for your restaurant. Pay particular attention to the headline or slogan. Readership of this material is often five times higher than for the body copy. Don't insist on cramming every inch of space with type or art; media-wise customers appreciate the clean look of an ad with ample white space.

7. Learn from experience. Once a particular advertising campaign is underway, continue to record notes about its progress, including the final outcome. Keep two files of clippings: one of tear sheets and production information about your own ads and one of other ads you admire. This information can be invaluable in planning future advertising campaigns.

TO YOUR HEALTH

Naturally occurring food toxins

What do potatoes, peanuts, corn, wheat, rice and mushrooms have in common? They are all susceptible to food toxins. Fortunately, the potential harm of toxic substances in plants is often minimized by the timing of the harvest, selection of edible parts or processing and cooking. Also humans generally can tolerate small amounts of natural toxins; the hazards are usually more threatening with increased exposure. There are exceptions, though, as with mushrooms, when toxins are so powerful that even a small portion can be lethal.

The majority of food toxicities are caused by bacteria. Yet, it is important to be familiar with the naturally occurring toxins present in plants and seafood. Their deleterious effects range from mild to severe. Some promote high blood pressure or goiter while others interfere with the central nervous system or are hallucinogenic.

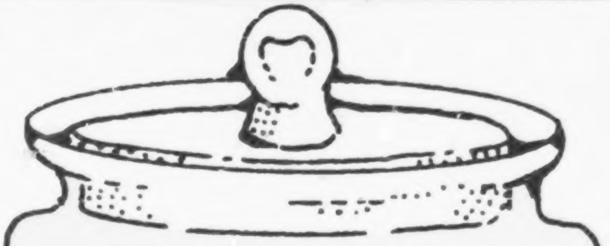
Solanin—Solanin is a toxic substance concentrated in the skins and shoots of potatoes. Storage of potatoes enhances solanin development, especially when the tubers are exposed to light. Any green spots, representing chlorophyll buildup, accumulate solanin. Cooking doesn't inactivate this toxic substance, and large doses of solanin result in abdominal pain, jaundice, vomiting, diarrhea and interference with nerve impulses.

Federal regulations prohibit marketing potatoes with a solanin content greater than 200 parts per million (ppm). On average, four and one half pounds of whole potatoes (containing 100 ppm of solanin) must be consumed before symptoms become evident. Yet, a smaller amount of skins-only can induce symptoms as solanin concentrates in this part of the potato.

Aflatoxin—This hazardous mold most commonly contaminates peanuts and corn, but wheat and rice are also susceptible to aflatoxin development. Warm temperatures coupled with high humidity cause aflatoxin to flourish on stored nuts and grains. Although still somewhat controversial, there is strong evidence that implicates aflatoxin as a potent liver carcinogen. As with solanin, cooking will not eliminate aflatoxin. Peanuts with an aflatoxin content of more than 20 parts per billion are barred from interstate commerce. Although not always apparent, moldy, shriveled or discolored nuts may be contaminated with aflatoxin.

Mushrooms—Luckily, only a few species of mushrooms are poisonous. However, the problem is that these offenders are not easily distinguished from their edible counterparts. Abdominal cramps, nausea, vomiting and diarrhea are symptoms of wild mushroom poisoning, and mortality rates of victims range from 0 to 50 percent, depending on the species eaten. Since there is no foolproof means of determining mushroom safety, it is best to avoid unknown varieties.

Coumarin—Because it



Storage pointers

Storing fresh potatoes . . .

"Potatoes last longest at 45°F to 50°F. In a cool environment, such as a cellar, mature potatoes can last for as long as two months; new potatoes for one to two weeks. At normal room temperature, potatoes begin to sprout and wither quickly. They will stay fresh a week to 10 days at the most. New potatoes can be counted on for only four to seven days.

"The refrigerator is not the best answer. Chilling causes the starch in a potato to convert to sugar, changing its flavor. You can stretch a potato's storage life in the refrigerator, then leave it out at room temperature for a day or two before cooking—the sugar will reconvert to starch. . . .

"Keep potatoes in a basket, burlap bag, or even a paper bag—anything that allows air circulation. It is important to store the potatoes in the dark since every little bit of light contributes to greening. A buildup of moisture encourages decay, so don't wash potatoes until you're ready to prepare them. . . .

"Dry onions and potatoes store best under the same conditions, but don't store them side by side. Each exudes a different gas that shortens the storage life of the other.

"Leftover cooked potatoes can be refrigerated for three to five days. Whole, unpeeled potatoes retain many more nutrients than pared ones."

Storing nuts and seeds . . .

"Without protection against moisture, high temperatures and air, nuts and seeds become rubbery and their natural oils turn rancid.

"Shelled nuts will stale in a matter of days if left uncovered at room temperature. Nuts in the shell stay fresh longer but even they need careful handling to be stored successfully for more than about four weeks.

"Nuts and seeds, in whatever form, should always be stored in tightly covered containers or in airtight plastic bags. The refrigerator is often the best place for them. (It is possible to freeze nuts and seeds, but they tend to lose flavor and crispness after thawing, so buy only what you can use within a reasonable time.)"

—From Janet Barley's new book Keeping Food Fresh, the Dial Press, 1985

smells like real vanilla, coumarin extract, also known as tonka bean extract, has been sold to Americans touring Mexico as reasonably priced vanilla. It is no bargain though: coumarin is prohibited in the United States. In 1954, the Food and Drug Administration (FDA) determined it a "poisonous and deleterious substance" based on evidence that coumarin caused extensive liver damage in rats.

Herbal teas—There are no long-term clinical studies evaluating herbal teas, but FDA cautions that lack of evidence does not prove safety. Brewed herbal teas produce a number of compounds, such as acids, toxins and alkaloids, that can accumulate in body tissues to significant levels. Although the long-term effects of these accumulations are unknown, several short-term problems are apparent. For example, when nutmeg and jimson weed are brewed with tea, the combination can be fatal.

Tetrodotoxin—One of the most potent natural toxins, tetrodotoxin, is found in the liver, ovaries and roe of puffer fish, blow fish, globe fish and porcupine fish. Although not commonly consumed in this country, the Japanese consider fugu, dishes prepared with the flesh and testes of these fish, a delicacy. In Japan, fugu can be commercially prepared only by licensed chefs who are trained in eviseration techniques, identification of toxic species and the seasonal variations of toxicity. In spite of this regulation, Japan reports several hundred cases of intoxication annually; about half of them are fatal.

Histamine toxicity—Fish is generally safe to consume, but under adverse storage conditions some species develop toxic levels of histamine, a compound related to the common protein component histidine. Temperatures between 68°F and 78°F are ideal for bacterial histamine production in tuna, mackerel, albacore, bonito and sardines. Histamine is inactivated by heating at temperatures over 140°F. The poisonous fish has a sharp, peppery taste and induces symptoms within three hours of consumption. Episodes of histamine poisoning are acute, lasting eight to 12 hours. They are characterized by headache, dizziness, throbbing of the neck vessels and an itchy rash.

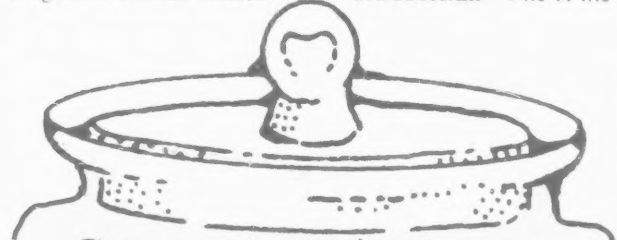
Paralytic shellfish poisoning—Toxic plankton occasionally develops in the ocean as a result of disturbances in weather patterns. Not only does toxic plankton cause the oceanic plankton bloom familiarly known as red tide, but plankton also is responsible for paralytic shellfish poisoning. Otherwise safe mollusks (mussels, clams, scallops and oysters) become a public health threat after feasting on the infected plankton. When infected mollusks are eaten, the heat-stable toxic substances are transferred to humans, and within 30 minutes to six hours they affect sensory perceptions. The initial symptoms are sensations of tingling, numbness and burning in the mouth that spread to the head, fingers and toes. Eventually coordination is disturbed, producing intoxicated-like movement. Paralytic shellfish poisoning is fatal in one to 10 percent of the cases. Mollusks are the most common carriers of toxic plankton, but crabs have also been traced to the etiology of paralytic shellfish poisoning.

Purchasing pointers . . .

Though only a small percent of the population will ever be affected by naturally occurring food toxins, these pointers are important precautions for anyone in commercial foodservice.

- Purchase food only from reputable wholesalers who safely handle and store food.
- As a few of the toxins develop with prolonged or improper storage, food freshness should never be questionable.
- Discard moldly, shriveled and discolored nuts as well as withered potatoes with multiple sprouts.
- Avoid using potato sprouts as an ingredient, and pare off any green spots on potato skins—both are concentrated sources of solanin.
- Never use unfamiliar wild mushrooms or those of questionable safety.
- Be aware of coastal locations with red tide. Local public health officials prohibit catches from these areas when the plankton blooms become health threats.

—Claire Regan, R.D.



Storage timetable for nuts

Nuts	Months in pantry	Time in refrigerator	Months in freezer
Almonds			
in the shell	12 months	12 months	12
shelled	*	9 months	12
Cashews			
shelled	*	6 months	9
Chestnuts			
in the shell	*	4–6 months	—
shelled	*	4–5 days	9–12
Macadamia nuts			
shelled	*	6 months	9–12
Peanuts			
raw in the shell	2 months	6 months	9–12
roasted in the shell	1 month	6 months	9–12
shelled	*	3 months	6
Pecans			
in the shell	2–3 months	6 months	12
shelled	*	6 months	12
Pinenuts			
shelled	*	1 month	6
Pistachios			
in the shell and shelled	*	3 months	12
Pumpkin seeds	2–3 months	12 months	12
Sunflower seeds	2–3 months	12 months	12
Walnuts			
in the shell	2–3 months	12 months	12
shelled	*	12 months	12

—From Janet Barley's new book Keeping Food Fresh, *The Dial Press, 1985.*

*does not keep

THE BOARD ROOM

NRA-PAC names trustees; sets year-end fundraising goal of $185,000

As part of his responsibilities as newly appointed chairman of the National Restaurant Association Political Action Committee, W.W. "Biff" Naylor (Naylor Brothers Restaurants, Inc., Los Angeles, CA) has launched a major fund-raising effort to raise $185,000 for NRA-PAC by December 31, 1985.

Commenting on NRA's most recent effort to promote the concerns of the foodservice industry, Naylor said, "Our PAC's fund-raising effort offers each person in foodservice an opportunity to make a difference. Each contribution, large or small, to NRA-PAC increases the strength of our voice in Congress. A personal contribution should be something that's done each January. My goal is to get restaurateurs to make this their first order of business for the sake of their business."

W. W. "Biff" Naylor

Taxes and Social Security Payments

If you have substantial income in addition to your Social Security benefits, some of your benefits may be taxable. Contact the IRS to obtain free IRS Publication 915 for details.

IT'S YOUR SOCIAL SECURITY CHECK, YOUR PENSION CHECK, YOUR DIVIDEND CHECK AND YOUR FREE COPY OF IRS PUBLICATION 915
US MAIL

A PUBLIC SERVICE MESSAGE FROM THE INTERNAL REVENUE SERVICE

Proceeds from the new campaign will advance the PAC's goal to promote and preserve the free enterprise system in the United States by supporting candidates and legislators who work to further the interests of the foodservice industry.

Twelve industry representatives, 11 of whom are NRA board members, have been named regional trustees and charged with the task of raising $10,000 in each of their respective regions. In pursuit of this goal, each trustee may name members to a special advisory committee of the NRA-PAC. The advisory committee will serve as the backbone of a grassroots fund-raising effort in each region, initiating contact with NRA members in cities across the country, soliciting their support of PAC efforts and reporting back to their regional trustees. Advisory committee members will come to an annual meeting in Chicago each May and be invited to attend three PAC meetings yearly.

NRA members interested in aiding this important industry campaign should contact the trustee assigned to their region or Tom Kelley, manager of political affairs at NRA headquarters in Washington.

The 12 newly appointed NRA-PAC trustees and their respective regions are

- *New England (CT, ME, MA, NH, VT, RI)*
  John Cauley, Jr.
  Friendly Ice Cream Corp.
  1855 Boston Rd.
  Wilbraham, MA 01095
  (413) 543-2400
- *Northeast (NY, PA, NJ, DE)*
  Warren Rosenthal
  Jerrico Inc.
  P.O. Box 11988
  Lexington, KY 40511
  (606) 268-5211
- *Southern (KY, TN, WV, VA, MD, DC)*
  Jack Laughery
  Hardee's Food Systems, Inc.
  P.O. Box 1619
  Rocky Mount, NC 27801
  (919) 977-2000
- *Southeast (NC, SC, GA, FL)*
  James Maynard
  Golden Corral Corp.
  P.O. Box 29502
  Raleigh, NC 27626
  (919) 781-9310
- *Midwest (IA, IL, IN, OH)*
  Thomas Russo
  Ponderosa, Inc.
  P.O. Box 578
  Dayton, OH 45401
  (513) 890-6400
- *Upper Midwest (MN, WI, MI)*
  Richard Cregar
  Cregar Enterprises
  3000 Interlaken
  Orchard Lake, MI 48033
  (313) 681-4561
- *Gulf Coast (TX, LA, MS, AL)*
  Ralph Brennan
  Mr. B.'s Inc.
  201 Royal St.
  New Orleans, LA 70130
  (504) 523-2078
- *Central (KS, MO, OK, AR)*
  Robert Clift
  (PAC vice-chairman)
  Banner Food Enterprises
  P.O. Box 23739
  Oklahoma City, OK 73123
  (405) 947-7307
- *Southwest (CO, NM, AZ, NV, SD)*
  Joseph Fassler
  Greyhound Food Management, Inc.
  Greyhound Tower, #3103
  Phoenix, AZ 85077
  (602) 248-2033
- *Rocky Mountain (MT, ID, WY, UT, ND, NE)*
  Richard Marriott
  (PAC Secretary)
  Marriott Corp.
  Marriott Drive
  Washington, DC 20058
  (301) 897-1420
- *Western (HI, OR, WA, AK)*
  Leon W. "Pete" Harman
  Harman Management Corp.
  199 First St.
  Los Altos, CA 94022
  (415) 941-5681
- *Pacific (CA)*
  W.W. "Biff" Naylor
  (PAC chairman)
  Naylor Brothers Restaurants, Inc.
  1434 Westwood Blvd.
  Los Angeles, CA 90024
  (213) 475-0942

PAC Advisory Committee:

Roger Anderson
(PAC co-chairman)
Robbie's Restaurant Inc.
Great Falls, MT 59405
(406) 761-7160

Florence Jaramillo
(PAC co-chairman)
Restaurante Rancho de Chimayo
P.O. Box 11
Chimayo, NM 87522
(505) 351-4444

—Dorothy Dee

Fisher's Law #65

Planning to plan

"Strategic planning" is a concept that some organizations swear by and others swear at. Some think they have it when they don't, and some have it, but it is not formalized or communicated because it resides in the head of the top person in the organization.

One starts the process of strategic planning by accepting the principle that it is possible to plan the future by looking forward and taking action to reach a predetermined, realistic, acceptable objective, rather than being forced to react to the buffeting caused by the vagaries of competition, interest rates, demographic changes, lifestyle trends, inflation or organizational strengths and weaknesses and many other factors.

It is important to note two other basic cornerstones of strategic planning. First, strategic planning is a constantly evolving and revolving process of goal setting and measurement, not a one-time static "product" to be developed quickly and then tucked away until the next time someone asks, "What's the plan?" Second, the only irrefutable thing you can say about a strategic plan is that results will *never* materialize in absolute congruency with the plan.

I've "done my time" in strategic planning endeavors, and I thought I'd mention a few things for your consideration. If you embrace the following, I'd like to talk to you about purchasing a bridge in a major East Coast city.

1. Recognize that there is a difference between forecasting, long-range planning, strategic planning, crystal ball gazing and shooting from the hip (or lip). Forecasting is predicting, long-range planning is conjecturing, strategic planning is asserting, crystal ball gazing is hallucinating, and shooting from the hip (or lip) is mortifying.

2. Realize that the real purpose of strategic planning is to build your own empire so that no one will be able to do anything without checking with you first.

3. Start by developing a mission statement that is your corporate "raison d'etre," but be sure it is short enough to fit on a bumper sticker. (You'll want to give bumper stickers to your employees and customers.)

4. Designate a strategic planning committee of five people and schedule meetings so that four of the five cannot make the meetings.

5. When you plan, plan frequently, so people will forget what you planned in two or three earlier versions. Also, use numbers or dates, but never use both at the same time. Numbers without a date could always come true at some point in time, and a date without a number doesn't tie you to anything specific.

6. Rely only on statistics, financial data and quantitative analyses. Never alter these data on the basis of experience, judgment or "feel of the market."

7. Provide assistance to the chief strategic planner by employing a person fresh out of school who is up to date on all the latest planning theories and methods and who is unspoiled by the scars of experience.

8. Assign ultimate responsibility for the plan to someone who has time to do it. A possible choice is the receptionist. The receptionist is not always answering calls, and people don't come in every minute. It's even better if the receptionist is a temporary, so when the plan is developed it is not biased by the history and culture of the company.

9. Never, never use an outside resource, such as a consultant or facilitator. Such people just muddle up everything, take twice as long to accomplish something and charge exorbitant fees. If you must use an outside resource, go to a business school class and become their project.

10. Never finish the plan. After all, time is limitless, and the variables are constantly changing. You really want to deal with certainty, and you need to constantly update the plan with the latest factual information.

11. Never communicate the total plan to others in your organization. Since it is unfinished anyway, there is no sense communicating it. Besides, if you did tell others about it, they would think that's all they had to do and may goof off.

Fisher's 65th Law: If you follow these rules, you will be strategizing strategy strategically for planning the plan, constantly.

In memory

J. Willard Marriott dies at 84

J. Willard Marriott, founder of the Marriott Corporation and past president of the NRA, died on August 13, 1985, near his summer home in New Hampshire at the age of 84.

Marriott began his career in the foodservice industry in 1927, when he opened a nine-stool root beer stand in Washington, DC. Today, that original venture has grown into an international corporation that includes 1,400 restaurants, 143 hotels and resorts and catering services to 150 airlines worldwide.

Marriott served as president of the NRA in 1948. During his term, he concentrated heavily on the industry's primary concern at the time: food and payroll costs. He led industrywide plans for a national promotion called "Eating Out" and launched a special designation for 1948 as Hospitality Year.

In 1982, Marriott was honored at the Multi-Unit Foodservice Operators convention (MUFSO) as an official "Pioneer"—an accurate reflection of the respect he commanded throughout the hospitality industry.

Said William P. Fisher, executive vice president of NRA, "The entire industry has suffered a loss with the passing of J. Willard Marriott. He embodied the spirit of service to those who eat and rest away from home."

Forecast to the year 2000

Per person incomes to climb

Eating place sales growth reflects increases in personal income. When personal income rises or falls, eating place sales follow suit, although the amount of increase in sales may be higher or lower than the average increase in income. For example, between 1973 and 1983, per capita personal income (in 1972 dollars) advanced 1.4 percent annually. During the same period, real eating place sales also rose—up 3.8 percent a year. This article takes a look at income projections, to the year 2000 so operators can forecast trends in eating place sales.

Per capita personal income by region* 1983–1990 / 1990–2000

	Avg. annual percent change	
Region	**1983–1990**	**1990–2000**
New England	2.2%	1.3%
Middle Atlantic	2.1	1.3
East North Central	2.6	1.4
West North Central	2.5	1.4
South Atlantic	2.3	1.4
East South Central	2.8	1.7
West South Central	2.5	1.3
Mountain	2.4	1.4
Pacific	2.0	1.3
Total U.S.	**2.3%**	**1.4%**

*in 1972 dollars

Source: "Regional and State Projections of Income, Employment and Population to the Year 2000," *Survey of Current Business*, May 1985, U.S. Department of Commerce, Bureau of Economic Analysis.

Americans should be earning more money during the remainder of this century, thanks to a growing economy, fueled by expansion in service, high tech and defense-related industries.

According to data from the Bureau of Economic Analysis' study "Regional and State Projections of Income, Employment and Population to the Year 2000," by 1990 per capita income should advance a significant 17.6 percent to $6,434 per person (in 1972 dollars) from $5,470 per person in 1983. On an annual basis, this represents an average increase of 2.3 percent. By the turn of the century, per capita income is expected to reach $7,369 per person—up another 14.5 percent.

Regional highlights . . .

- Between 1983 and 1990, the greatest increase in per person income is expected in the East South Central region. Incomes should climb 2.8 percent annually to $5,202 per person in 1990. Other regions expected to record above average gains in per capita income are East North Central (up 2.6 percent a year), West North Central (up 2.5 percent a year), West South Central (up 2.5 percent a year) and Mountain (up 2.4 percent a year).
- New Englanders will have the highest per capita income in 1990—$7,108 per person (in 1972 dollars) compared to $6,099 per person in 1983. Residents of the Pacific region should place second with an annual income of $6,978 per person, and those living in the Middle Atlantic states are projected to place third with an income of $6,898 per person.
- Between 1990 and 2000, per capita income (in 1972 dollars) will continue to rise, but at a somewhat slower pace. The East South Central states are expected to post the greatest yearly increase—up 1.7 percent, followed by the Mountain (up 1.4 percent), West North Central (up 1.4 percent), South Atlantic (up 1.4 percent) and East North Central (up 1.4 percent) regions.
- By the end of the century, per capita income will reach $8,073 per person in New England, maintaining its lead over the other regions. The Pacific region will record the second highest per capita income—$7,906, followed by the Middle Atlantic ($7,847 per person) and the East North Central ($7,402 per person) regions.

State highlights . . .

- Twenty-nine states will boast above average yearly gains in income per person (in 1972 dollars) between 1983 and 1990. Iowa is projected to lead the nation with a substantial 3.0 percent yearly increase. Other top states include: Indiana (up 2.9 percent), Vermont (up 2.9 percent), Arkansas (up 2.8 percent) and Mississippi (up 2.8 percent).
- Although other states will experience greater yearly gains, in 1990, Alaska should be on top with per capita dollars of $9,025 per person (in 1972 dollars). The District of Columbia is projected to have the next highest income per person at $8,453, followed by Connecticut ($8,146 per person), New Jersey ($7,663 per person), Massachusetts ($7,236 per person) and Maryland ($7,147 per person).
- Between 1990 and 2000 per capita income is expected to climb an impressive 1.9 percent annually in Mississippi, outdistancing the other states. Alabama and Kentucky are close seconds; each is expected to post a significant 1.7 percent gain during this 10-year period.
- By 2000, per capita income will total $9,958 per person in Alaska, more than in any other state. The District of Columbia and Connecticut will also record large per capita incomes, $9,467 per person and $9,134 per person, respectively.

—Susan Adelman

Per capita personal income by state* 1983–2000

State	Per capita income 1983	Per capita income 1990	Per capita income 2000	Average annual percent change 1983–1990	Average annual percent change 1990–2000
Alabama	$4,318	$5,192	$6,170	2.7%	1.7%
Alaska	8,023	9,025	9,958	1.7	1.0
Arizona	4,976	5,971	6,891	2.6	1.4
Arkansas	4,189	5,097	5,982	2.8	1.6
California	6,203	7,112	8,035	2.0	1.2
Connecticut	6,993	8,146	9,134	2.2	1.2
Colorado	5,966	6,918	7,829	2.1	1.2
Delaware	5,905	6,830	7,709	2.1	1.2
District of Columbia	7,339	8,453	9,467	2.0	1.1
Florida	5,396	6,252	7,120	2.1	1.3
Georgia	4,864	5,761	6,719	2.4	1.6
Hawaii	5,701	6,517	7,461	1.9	1.4
Idaho	4,473	5,365	6,290	2.6	1.6
Illinois	5,812	6,836	7,763	2.3	1.3
Indiana	4,955	6,069	7,042	2.9	1.5
Iowa	5,009	6,151	7,132	3.0	1.5
Kansas	5,664	6,785	7,750	2.6	1.3
Kentucky	4,400	5,333	6,285	2.8	1.7
Louisiana	4,802	5,718	6,719	2.5	1.6
Maine	4,619	5,341	6,187	2.1	1.5
Maryland	6,116	7,147	8,112	2.3	1.3
Massachusetts	6,212	7,236	8,207	2.2	1.3
Michigan	5,384	6,503	7,419	2.7	1.3
Minnesota	5,572	6,609	7,509	2.5	1.3
Mississippi	3,827	4,649	5,601	2.8	1.9
Missouri	5,171	6,078	6,984	2.3	1.4
Montana	4,665	5,599	6,506	2.6	1.5
Nebraska	5,236	6,257	7,244	2.6	1.5
Nevada	5,787	6,787	7,652	2.3	1.2
New Hampshire	5,674	6,498	7,413	2.0	1.3
New Jersey	6,558	7,663	8,662	2.2	1.2
New Mexico	4,522	5,344	6,217	2.4	1.5
New York	6,094	6,979	7,854	2.0	1.2
North Carolina	4,594	5,490	6,373	2.6	1.5
North Dakota	5,456	6,359	7,288	2.2	1.4
Ohio	5,256	6,315	7,267	2.7	1.4
Oklahoma	5,126	6,120	7,121	2.6	1.5
Oregon	5,048	6,019	7,046	2.5	1.6
Pennsylvania	5,372	6,271	7,256	2.2	1.5
Rhode Island	5,472	6,371	7,305	2.2	1.4
South Carolina	4,302	5,155	6,054	2.6	1.6
South Dakota	4,617	5,495	6,435	2.5	1.6
Tennessee	4,463	5,416	6,305	2.8	1.5
Texas	5,452	6,435	7,356	2.4	1.3
Utah	4,217	5,026	5,899	2.5	1.6
Vermont	4,664	5,679	6,606	2.9	1.5
Virginia	5,668	6,573	7,515	2.1	1.3
Washington	5,692	6,624	7,492	2.2	1.2
West Virginia	4,295	5,127	5,996	2.6	1.6
Wisconsin	5,297	6,275	7,232	2.4	1.4
Wyoming	5,562	6,752	7,928	2.8	1.6
Total U.S.	**$5,470**	**$6,434**	**$7,369**	**2.3%**	**1.4%**

*in 1972 dollars

Source: "Regional and State Projections of Income, Employment and Population to the Year 2000," *Survey of Current Business*, May 1985, U.S. Department of Commerce, Bureau of Economic Analysis.

Asian cuisine: good fortune for restaurateurs

This article takes a closer look at how Asian restaurants fare wth consumers. Although Asian cuisine embraces foods from many countries in the Far East, this article singles out two of the more popular varieties—Chinese and Japanese food.

Restaurateurs do not need a fortune cookie to tell them that Asian food is fast becoming a consumer favorite. According to *RECOUNT* data, in 1984, the number of Asian restaurants increased nine percent over 1983 while all types of restaurants increased three percent. During that same period, traffic at Asian establishments jumped 16 percent, more than twice the 7.8 percent traffic increase for all restaurants.

This interest in Asian cuisine is not a recent phenomenon. Sales at Chinese restaurants skyrocketed 109 percent between 1977 and 1984, according to the *CREST Family Report;* whereas sales for all restaurants in this same period increased a lower 80 percent. Much of the sales increase at Chinese restaurants is attributed to increased customer traffic, which jumped 55 percent over the eight-year span, and the greater availability of places specializing in Chinese cuisine.

Part of ethnic food trend . . .

Interest in Asian cuisine is part of the growing consumer enthusiasm for all types of ethnic food. More than a third of the respondents in NRA's *Consumer Preferences for Ethnic Foods in Restaurants* study said they are eating more ethnic food in restaurants than they did three years ago. In addition, the study revealed that nine out of 10 adults have tried Chinese food in a restaurant at least once, and 83 percent have done so more than once. While Japanese cuisine is not quite as popular, a substantial one-half of all adults have tried it at least once. In terms of popularity, Chinese food ranks second behind Italian food as the most-liked ethnic food in restaurants, while Japanese foods rank seventh out of 15 ethnic foods surveyed.

Will this trend continue? Almost definitely. Nearly half the respondents in NRA's ethnic food study strongly agreed that they would try more ethnic foods if dishes were available at restaurants. A similar proportion indicated a strong interest in trying items they have never eaten before when they eat out. Therefore, Japanese foods, such as sushi (raw fish tidbits combined with vinegared rice) and sashimi (raw fish tidbits served with rice on the side), which are relatively new to the United States, as well as more familiar Chinese selections, such as sweet and sour dishes and chow mein, are expected to remain popular with consumers. In addition, NRA's ethnic food study revealed that a number of consumers eat both Chinese and Japanese food frequently—at least once a month or more often. Almost one-third of the consumers surveyed eat Chinese food at least once a month, and 13 percent reported that they order Japanese food in restaurants one or more times a month.

Also, according to NRA's *Consumer Preferences for New Restaurant Concepts* study, a number of adults who had not eaten either Oriental fast food or sushi and sashimi in the first quarter of 1985 indicated that they were very likely to order these foods in the future. One out of five consumers who had not eaten Oriental fast food recently (during the first quarter of 1985) agreed that they were very likely to purchase it in the future, and eight percent of those who had not eaten sushi and sashimi recently indicated a high future probability of ordering these items.

Who dines at Asian restaurants? . . .

Although many Americans enjoy eating Chinese and Japanese foods, certain groups are inclined to do so more frequently than others, according to NRA's *Consumer Preferences for Ethnic Foods in Restaurants*.

For example, men eat both Chinese and Japanese food more frequently than women. More than one-third (35 percent) of the men surveyed ordered Chinese items at restaurants at least once a month compared with a lower 28 percent of women. Fewer men reported having Japanese food at least once a month—-15.2 percent. But this is still higher than the proportion of women eating Japanese food—11.4 percent. Also, men outnumber women in eating other Asian foods—11.3 percent versus 7.9 percent.

Young adults also eat Asian cuisine in restaurants more often than older consumers, particularly Japanese food. Nearly one-fourth of the respondents between the ages of 18 and 24 reported they order Japanese cuisine at least once a month. On the other hand, less than one out of 10 consumers 55 years old and older made a similar claim.

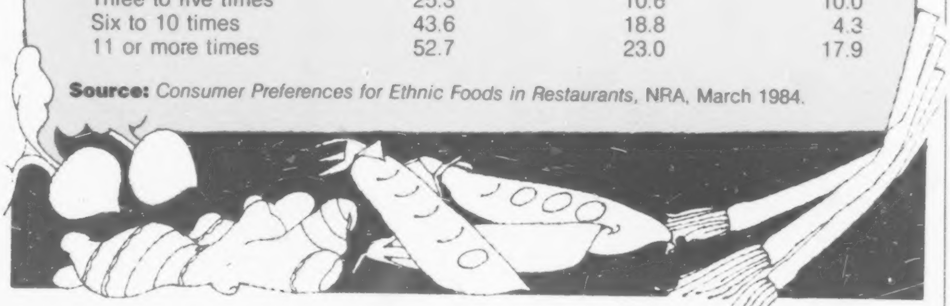
Patrons who have a preference for Chinese food when dining out also tend to be younger, but more consumers between the ages of 25 and 34 order Chinese cuisine at restaurants at least once a month than do 18 to 24-year-olds: 36 percent versus 30 percent. Other Asian foods, in addition to Chinese and Japanese, are also popular with younger consumers. One out of four consumers between the ages of 18 and 24 said they eat other Asian foods at least once a month, compared to a lower 6.3 percent of consumers 55 years old and older.

Smaller households—one or two persons—are devoted fans of Asian cuisine. Two out of five singles said they order Chinese food at restaurants at least once a month, and more than one-third of two-person households reported the same. In comparison, less than three out of 10 households with three or more members eat Chinese food at least once a month. On the other hand, Japanese cuisine appears to be equally popular with singles, two-person and three-person households. Fifteen percent of the respondents from each of these household groups indicated that they order Japanese cuisine at restaurants at least once a month. A lower 11 percent of consumers from households with four or more members choose Jap-

Proportion of consumers who order Asian food at restaurants one or more times a month

	Chinese	Japanese	Other Asian
Sex			
Men	34.6%	15.2%	11.3%
Women	28.5	11.4	7.9
Age			
18 to 24	30.4	22.7	23.8
25 to 34	36.1	15.3	4.9
35 to 54	28.1	9.6	7.7
55 and over	30.4	8.7	6.3
Household size			
One	42.5	15.0	11.8
Two	35.2	14.7	14.6
Three	24.4	14.9	—
Four or more	28.4	11.0	9.3
Annual income			
Under $15,000	29.8	14.3	20.0
$15,000 to $24,999	27.0	17.1	18.2
$25,000 to $34,999	30.3	14.1	—
$35,000 and over	35.8	9.4	7.5
Monthly visits to all restaurants			
One to two times	13.5	2.9	—
Three to five times	25.3	10.6	10.0
Six to 10 times	43.6	18.8	4.3
11 or more times	52.7	23.0	17.9

Source: *Consumer Preferences for Ethnic Foods in Restaurants*, NRA, March 1984.



anese food once a month or more often.

Households with two members eat other types of Asian food more often than do singles. Fifteen percent of these people reported they eat other Asian foods at least once a month as opposed to 11 percent of the singles. In comparison, less than one out of 10 households with four or more members have other Asian foods one or more times a month.

Asian cuisine is equally popular across various household income levels. Thirty percent of individuals from households with annual incomes under $15,000 reported ordering Chinese cuisine at a restaurant at least once a month, and the proportion of individuals from households with incomes between $15,000 and $35,000 was similar. However, a greater proportion of consumers from households with incomes over $35,000 a year reported having Chinese food at least once a month—36 percent.

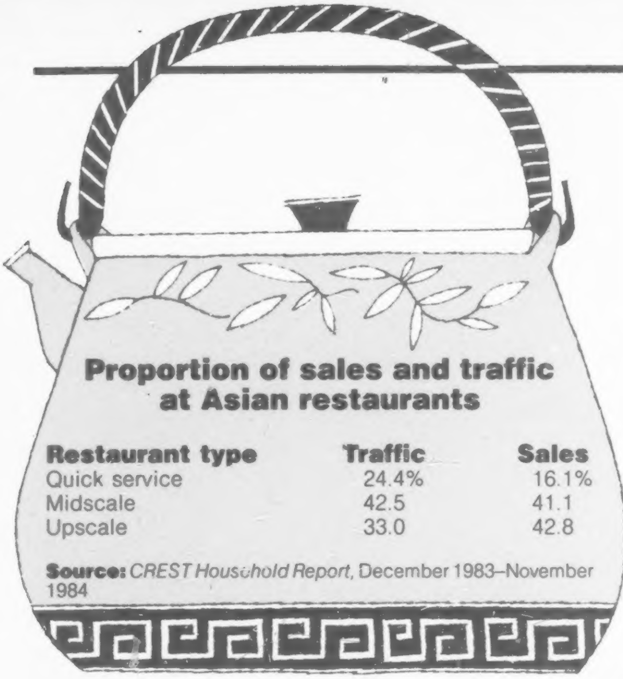
The opposite appears to be true for Japanese restaurants. Only nine percent of consumers from upper income households reported ordering a Japanese dish at a restaurant once a month or more often, compared with 17 percent of individuals from households with annual incomes between $15,000 and $25,000. Fourteen percent of those from households with incomes under $15,000 a year and a similar proportion from households with annual incomes between $25,000 and $35,000 reported eating at Japanese restaurants at least once a month.

Moderate income households also like to order other Asian foods when they eat out more often than do upper income households. Two out of 10 individuals from households with incomes of $25,000 or less reported eating an Asian dish (other than Japanese or Chinese) at least once a month. On the other hand, the proportion of individuals from households with incomes in excess of $35,000 is small—7.5 percent.

For those who dine out frequently, Asian cuisine appears to be a favorite alternative. More than half (53 percent) of the consumers who stated they eat out 11 or more times a month reported ordering Chinese cuisine at a restaurant at least once a month, 23 percent indicated they favor Japanese cuisine, and one out of five reported having some other type of Asian food. In comparison, those who dine out infrequently (one to two times per month) are less likely to opt for Chinese or Japanese food. Only 13 percent of infrequent restaurant patrons reported eating Chinese food at a restaurant once a month or more often, and less than one out of 10 indicated the same for Japanese cuisine.

Which Asian restaurants do best? . . .

Midscale and upscale Asian restaurants capture the lion's share of restaurant traffic and sales. In 1984, midscale Asian restaurants accounted for a significant 42.5 percent of overall Asian restaurant traffic and 41 percent of total sales. Upscale operations also captured a large share of traffic and sales. The upscale segment represented one-third of all restaurant



Proportion of sales and traffic at Asian restaurants

Restaurant type	Traffic	Sales
Quick service	24.4%	16.1%
Midscale	42.5	41.1
Upscale	33.0	42.8

Source: *CREST Household Report*, December 1983–November 1984

customer traffic and 43 percent of overall sales.

Quick service establishments comprised a smaller 24 percent of Asian restaurant traffic and only 16 percent of total sales. However, this segment is beginning to grow with the introduction of several fast food Chinese restaurants.

Asian food is a popular choice for either lunch or dinner, although the evening meal is, by far, the more popular. Nearly two-thirds of all Asian restaurant traffic occurs at dinner—twice the traffic at lunch.

Take out meals are popular alternative . . .

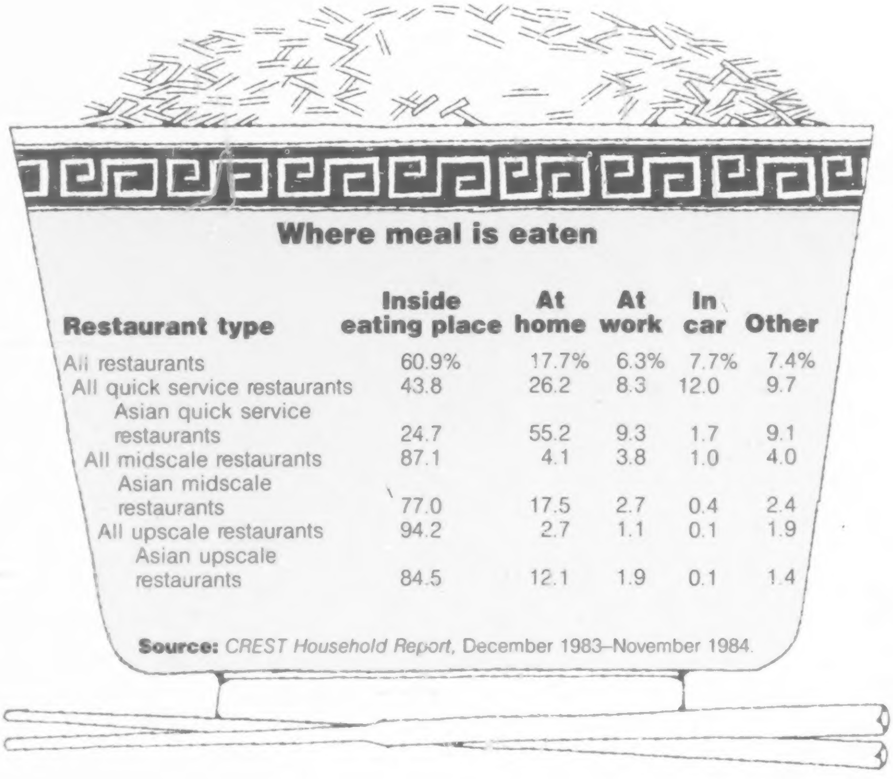
Consumers enjoy the convenience of take out meals, and exercise this option often when ordering Asian food. In fact, a greater proportion of meals are taken out from Asian restaurants than from other types of restaurants, and this is especially true for fast food establishments. According to the 1984 *CREST Household Report*, three-fourths of all meals served at quick service Asian restaurants are for take out compared with a significantly lower 56 percent at all quick service restaurants. More than two out of 10 meals at midscale Asian establishments are taken elsewhere to be eaten versus about one out of 10 at all midscale restaurants. The proportion of take out meals from upscale Asian restaurants is nearly three times larger than the proportion taken from all upscale restaurants, 15.5 percent versus 5.8 percent.

Consumers who order take out meals from restaurants are more likely to eat these meals at home, especially take out Asian meals. More than half (55.2 percent) of the meals ordered from quick service Asian restaurants are eaten at home. In comparison, a lower 26.2 percent of take out meals from all fast food establishments are eaten at home. Although the proportion of take out meals eaten at home is lower for midscale Asian restaurants—17.5 percent—it is still four times the proportion of take out meals at all midscale restaurants which are eaten at home—4.1 percent. The difference between the percentage of take out meals eaten at home for upscale Asian restaurants compared with all upscale establishments is even more pronounced: 12.1 percent versus 2.7 percent.

Which Asian foods are most popular? . . .

According to the *CREST Household Report*, orders for Chinese/Asian foods were up 18 percent in 1984 versus 1982. Also, orders of rice, a popular side dish, were up 28 percent during the two-year period.

When a recent Gallup survey asked consumers to identify the items they would most likely order from a menu composed of various Chinese foods, the most popular main dishes were sweet and sour pork and chicken chow mein. One out of four consumers stated that they would most likely order these items. The next most popular en-



Where meal is eaten

Restaurant type	Inside eating place	At home	At work	In car	Other
All restaurants	60.9%	17.7%	6.3%	7.7%	7.4%
All quick service restaurants	43.8	26.2	8.3	12.0	9.7
Asian quick service restaurants	24.7	55.2	9.3	1.7	9.1
All midscale restaurants	87.1	4.1	3.8	1.0	4.0
Asian midscale restaurants	77.0	17.5	2.7	0.4	2.4
All upscale restaurants	94.2	2.7	1.1	0.1	1.9
Asian upscale restaurants	84.5	12.1	1.9	0.1	1.4

Source: *CREST Household Report*, December 1983–November 1984.

tree was shrimp chow mein, capturing 21 percent of the votes.

More than one-third of the consumers stated a preference for egg rolls, and 23 percent indicated that they would order wonton soup. Barbecued spareribs were also a favorite: One out of five consumers cast their vote for this item. Other favorites include steamed rice—18 percent indicated that they would order this item—shrimp in lobster sauce, 17 percent, and shrimp with Chinese vegetables, 16 percent.

Many non-Asian restaurants also are offering dishes to satisfy the demand for Chinese food. In *Restaurants and Institutions'* "1984 Menu Census," which lists menu best-sellers, chow mein and chop suey appeared on 18 percent of restaurant menus and sweet and sour chicken appeared on 15 percent. The "1985 Menu Census" points out egg rolls as a favorite grazing treat and notes the growing popularity of stir-fry vegetable side dishes.

Many consumers also enjoy Japanese cuisine. Although tried less often than Chinese food, Japanese food is experiencing a surge in popularity in America. Sushi (raw fish tidbits combined with vinegared rice) and sashimi (raw fish tidbits served with rice on the side) are two popular Japanese dishes. According to NRA's *Consumer Preferences for New Restaurant Concepts* study, seven percent of all consumers, or 16 million adults, have dined at restaurants specializing in sushi and sashimi during a recent three-month period. And eight percent of those who have not eaten sushi or sashimi recently agreed that they were either very likely or likely to try a restaurant specializing in these items in the future. Because sushi and sashimi are perceived as healthy foods, these items should continue to be best-sellers.

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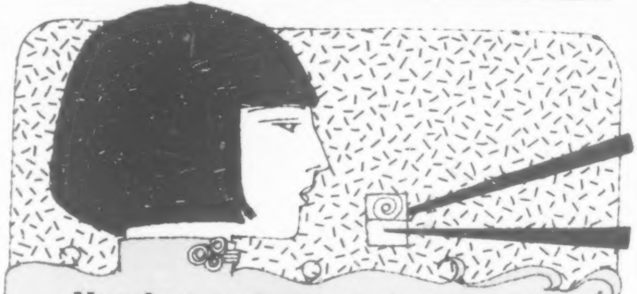


Number and concentration of Asian restaurants

Region	Number of units	Proportion of region's restaurants
New England	697	4.2%
Mid-Atlantic	2,522	5.5
South Atlantic	1,497	2.9
East North Central	633	2.9
East South Central	1,581	3.6
West North Central	273	1.8
West South Central	1,172	2.9
Mountain	604	3.4
Pacific	3,508	7.1
Total U.S.	**12,407**	**4.1%**

Source: *RECOUNT*, Spring 1984.

Where are Asian restaurants located?...

According to the 1984 *RECOUNT* study, the largest proportion of restaurants specializing in Asian cuisine are located in the Pacific, Mid-Atlantic and New England regions. Asian restaurants comprise 7.1 percent of all the restaurants in the Pacific region, the highest regional concentration of Asian restaurants in the nation.

The Mid-Atlantic part of the country has the largest proportion of Asian restaurants in the East; 5.5 percent of that region's restaurants specialize in Asian cuisine. Within the New England region, Asian establishments comprise 4.2 percent of all restaurants. On the other hand, the smallest concentration of Asian restaurants is in the West North Central region, 1.8 percent.

Outlook strong...

Because consumers are willing and eager to try new restaurant concepts, the future looks bright for Asian cuisine. Other factors also point to the bright future for Asian foods:

- The demographic segments that favor Asian cuisine—singles, young adults, men and working women—are projected to grow in numbers and importance during the remainder of the decade.
- Chinese and Japanese cuisines fit nicely into the growing interest in nutrition and healthful eating options. They are perceived by consumers as being healthful alternatives, particularly dishes featuring vegetables and fish.
- Consumers are showing increasing interest in the convenience of Asian take out foods. The recent expansion of many quick service Asian chains into all sections of the country reflects this trend.
- The United States' Asian population, of which Chinese and Japanese comprise 23 and 20 percent, respectively, is predicted to grow substantially in the future. The popularity of Asian food and restaurants will also grow as this group becomes a greater part of the eating out public.

—*Sallie Adams*

NRA revises 1985 forecast

The National Restaurant Association (NRA) has revised its 1985 industry forecast for food and drink sales and menu prices which was first published in the December 1984 issue of **NRA NEWS.** *Even though inflation has continued to rise at a more moderate pace than had been expected, less robust economic growth, high consumer debt, relatively high unemployment, a slowdown in personal income growth and harsh winter weather have dampened NRA's forecast. In addition, more complete data from the* 1982 Census of Retail Trade *have made changes in sales for several eating place categories necessary.*

During the first six months of this year, **eating place** sales have risen at a slower pace than originally anticipated. Traffic has been soft as some consumers have cut back on eating away from home. A harsh winter that affected much of the country and a slowdown in consumer income growth also dampened sales during the first half of 1985. NRA now expects eating place sales to reach $111.4 billion instead of the $112.3 billion initially forecast. This translates into a 6.7 percent gain in current dollars and a 2.8 percent real gain, compared to original projections of 8.4 percent and 3.5 percent.

On a more positive note, NRA anticipates that restaurant sales growth will pick up this summer. Increased vacation travel should improve last year's weak summer sales.

Restaurant and lunchroom sales will reach $58.4 billion in 1985 versus the $59.2 billion originally projected. Real sales will rise a modest 2.2 percent. **Limited menu (fast food) restaurant** sales are now expected to reach $47.1 billion, a 7.8 percent increase in current dollars and a 3.9 percent advance in real (inflation-adjusted) dollars. Sales for **social caterers** and **commercial cafeterias** will be somewhat higher than anticipated last December because of revisions based on recently released data from the *1982 Census of Retail Trade*.

Foodservice sales for **ice cream and frozen custard stands** have been revised downward because a number of these establishments have been reclassified by the Bureau of the Census as fast food operations. They now offer a more expanded menu, and less than half their sales come from ice cream. Ice cream and frozen custard stand sales are expected to reach $1.4 billion in 1985, down from $2.0 billion originally forecast.

Sales for **bars and taverns** are now projected to reach $8.4 billion in 1985, a rise of only 1.5 percent over 1984. Sales information from the *1982 Census of Retail Trade*, coupled with lower sales as a result of efforts to reduce drunk driving, are the basis for this.

Sales for the **Commercial Feeding Group** in 1985 are expected to total a revised $151.5 billion, versus $153.5 billion in the original forecast. Real sales will be up a more modest 2.6 percent, compared with 3.4 percent. **Institutional Feeding Group** and **Military Feeding Group** sales remain unchanged.

Total foodservice industry sales are predicted to reach $176.0 billion, down from $177.9 billion. This translates into a 6.7 percent gain in current dollars and a 2.4 percent advance in real dollars.

NRA now expects menu prices to rise only 3.9 percent in 1985, not 4.9 percent as originally forecast. More modest advances in food prices and overhead costs have helped dampen menu price inflation this year.

NRA is preparing more extensive revisions to sales, purchases and number of units for all industry segments for 1978 through 1985. These revised figures will be published in a new *Foodservice Sales Panorama* this winter.

—Bette Hoyt

Revised foodservice industry sales 1984 and 1985

	1984 (000)	1985 (000)	Percent change Current $	Real $
Eating places				
Restaurants and lunchrooms	$ 55,094,316	$ 58,455,069	6.1%	2.2%
Limited menu restaurants	43,674,471	47,081,080	7.8	3.9
Commercial cafeterias	3,126,144	3,232,433	3.4	(0.5)
Social caterers	1,240,801	1,301,600	4.9	1.0
Ice cream, frozen custard stands	1,283,449	1,375,857	7.2	3.3
Total eating places	$104,419,181	$111,446,039	6.7%	2.8%
Drinking places	$ 8,247,923	$ 8,371,642	1.5%	(2.4%)
Total eating and drinking places	$112,667,104	$119,817,681	6.3%	2.4%
Commercial Feeding Group	$141,923,081	$151,508,093	6.8%	2.6%
Institutional Feeding Group	$ 22,095,147	$ 23,566,307	6.6%	1.3%
Military Feeding Group	$ 835,697	$ 904,785	8.3%	3.4%
Total industry	**$164,853,925**	**$175,979,185**	**6.7%**	**2.4%**

Note: The figures shown here are revisions to sales information published in the December 1984 issue of ***NRA NEWS.*** All other figures remain unchanged.
Sources: Malcolm M. Knapp, Inc.; National Restaurant Association.

Two-year survey

What consumers are eating

- *Are customers eating more healthy foods?*
- *Are there differences in food preferences by region?*
- *Which menu items are most popular with consumers?*

*This article will provide some answers to these and other questions about consumer ordering behavior, based on a two-year CREST survey between 1982 and 1984.**

Most popular food and beverage items

Rank	Item	Two-year growth rate*
1	Decaffeinated coffee	57%
2	Fruit	48
3	Breakfast sandwiches	39
4	Diet colas	39
5	Mexican food items	36
6	Main dish salads	31
7	Rice	29
8	Pizza	21
9	French toast	17
10	Cheeseburgers	17
11	Chinese/Oriental foods	15
12	Juices	15
13	Large french fries	14
14	Omelets	14
15	Cold cereals	14
16	Large colas	13
17	Chicken (non-sandwich)	11
18	Tuna/chicken/ham salads	11
19	Soups	10
20	Other egg dishes	10

**Growth rates for June–Nov. 1984 versus June–Nov. 1982*
Source: *CREST Household Report*

Healthy foods lead the list in popularity when customers eat out. A study conducted by the Gallup Organization for the NRA two years ago revealed that four out of 10 consumers changed their eating out habits because of nutritional concerns. This interest has not declined. Patrons continue to be concerned about caffeine, sugar, fats and cholesterol. They are cutting back on food items rich in these ingredients and are instead increasing their consumption of fruits, juices and salads.

The menu item that enjoyed the largest increase in popularity between 1982 and 1984 was decaffeinated coffee. In 1984, there were 57 percent more orders for this beverage than in 1982. In addition, the two-year growth rate for items such as diet cola (39 percent), juices (15 percent) and chicken (11 percent) also demonstrates that patrons are attempting to eat more foods that are perceived as being healthy.

Breakfast favorites . . .

The growing popularity of eating breakfast out is also considered by many to be part of the interest in nutrition. Between 1982 and 1984, traffic at the morning meal was up a whopping 21.4 percent. The items which enjoyed the greatest popularity were

- fruit; orders were up 48 percent
- breakfast sandwiches; orders were up 39 percent
- french toast; orders were up 17 percent
- juices; orders were up 15 percent
- omelets; orders were up 14 percent
- cold cereals; orders were up 14 percent
- other egg dishes; orders were up 10 percent.

The greater availability of salad bars probably helped boost orders for items such as green salads, soups, fruits and tuna/chicken/ham salads. Main dish salads ranked sixth in popularity, with orders up a substantial 31 percent. Fruits, which are found on most salad bars, ranked number two in popularity, and fruit servings increased 48 percent. Soups and salads also ranked in the top 20. Soup orders were up 10 percent, and salad orders (tuna, chicken and ham) were up 11 percent.

Although consumers are ordering more of these foods, which are perceived as being healthy, they have not forsaken traditional favorites, such as cheeseburgers, french fries and soft drinks. Between 1982 and 1984 orders for cheeseburgers were up 17 percent, orders for large french fries rose 14 percent and orders for large colas increased 13 percent. These food items also made the top 20 list. Cheeseburgers ranked 10th, large fries ranked 13th, and large colas ranked 16th.

Ethnic foods are among top 20 favorites . . .

Ethnic foods continue to be sought out by restaurant patrons. Mexican food items were number five on the top 20 menu item list, and Oriental foods ranked 11th. Pizza, often referred to as "the traditional ethnic food," took eighth place. The number of orders for all kinds of Mexican foods rose 36 percent between 1982 and 1984: Orders for Oriental foods were up a substantial 15 percent, and orders for pizza increased 21 percent. In addition, patron requests for rice, which is often a side dish with Oriental meals, rose 29 percent.

Food preferences vary by region . . .

It should come as no surprise that food preferences vary by region of the country. This is primarily due to the regional availability of certain food items and the ethnic background of the residents. Also, there appears to be strong support for items made by companies headquartered in specific regions. For example, residents of the South Atlantic region have a strong liking for all sorts of colas, while Northeasterners prefer donuts and sundaes. A major cola manufacturer is located in the Southeast, and major chains specializing in donuts and ice cream are headquartered in the Northeast.

Other regional highlights:

- New Englanders show a marked preference for non-fried fish, probably because abundant fresh supplies are available from Boston to Maine.
- Residents of New York, New Jersey and Pennsylvania like veal and pasta dishes.
- Residents of the Great Lakes states (East North Central region) like beef and foods made with beef, such as chili.
- In the farm states there is a strong preference for mashed potatoes and pan pizza. It is interesting to note that a major pizza chain is headquartered in the West North Central region.
- Southeasterners like fried foods—especially fish and chicken. They also favor shellfish, a Gulf Coast product.
- Residents of the East South Central region are also fond of fried foods—fried fish, fried vegetables and fried chicken.
- Residents of Texas, Oklahoma, Louisiana and Arkansas like Mexican foods, probably because of the influence of the Hispanic population living in the area.
- Mexican foods are popular in the Mountain region as well, and regional favorites are tacos, burritos and enchiladas.
- The Pacific region food preferences show the influence of Hispanic and Asian groups: Burritos, enchiladas, taco salad, tacos and Chinese foods ranked tops on the list.

—Bette Hoyt

Regional food and beverage preferences

Regions	Food items	Beverages
New England	1. Heroes/subs	1. Diet non-colas
	2. Fish (not fried)	2. Wine
	3. Salad sandwiches	3. Regular coffee
	4. Donuts/sweet rolls	4. Herb teas
	5. Sundaes	5. Juices
Mid Atlantic	1. Heroes/subs	1. Hot tea
	2. Salad sandwiches	2. Non-carbonated soda
	3. Veal	3. Decaffeinated coffee
	4. Other pasta	
	5. Frozen desserts	
East North Central	1. Chili	1. Decaffeinated coffee
	2. French toast	2. Regular coffee
	3. Cheese	3. Diet non-colas
	4. Roast beef	4. Shakes/malts
	5. Barbecued ribs	5. Hot chocolate
West North Central	1. Mashed potatoes	1. Hot chocolate
	2. Pan pizza	2. Medium colas
	3. Soft-serve ice cream	3. Milk
	4. Donuts/sweet rolls	4. Regular coffee
	5. Pancakes/waffles	5. Shakes/malts
South Atlantic	1. Breakfast sandwiches	1. Iced tea
	2. Fried shellfish	2. Large colas
	3. Non-fried shellfish	3. Medium colas
	4. Potato skins	4. Diet colas
	5. Chicken	5. Beer
East South Central	1. Vegetable platters	1. Iced tea
	2. Breakfast sandwiches	2. Regular colas
	3. Fried fish	3. Diet colas
	4. Other fried vegetables	
	5. Fried chicken	
West South Central	1. Enchiladas	1. Iced tea
	2. Nachos	2. Regular colas
	3. Other fried vegetables	3. Beer
	4. Tacos	4. Non-colas
	5. Burritos	
Mountain	1. Tacos	1. Non-carbonated sodas
	2. Burritos	2. Hot chocolate
	3. Enchiladas	3. Regular non-colas
	4. Chicken nuggets	4. Shakes/malts
	5. Ham and cheese	5. Milk
Pacific	1. Burritos	1. Wine
	2. Enchiladas	2. Hot chocolate
	3. Taco salads	3. Hot tea
	4. Tacos	4. Milk
	5. Chinese/Oriental foods	5. Beer

Source: *CREST Marketing Services, NPD Research.*

**All data used in this analysis are from the* CREST Household Report. *Between June–November 1982 and June–November 1984, approximately 250 menu items were analyzed. Only the top 20 are discussed in this article.*

Food item preferences for each of the nine census regions were determined by calculating an importance index for all menu items analyzed. This calculation involved dividing the order incidence for the region by the order incidence for the U.S. This then indicates the degree to which the food item order incidence is above or below the U.S. norm. In most cases, the items listed in this article for each region had an importance index of 120 or higher.

How's Business?

by Cecelia Niepold

After a mixed summer, restaurateurs are looking forward to fall, planning new promotions and menu items.

1
NEW ENGLAND

Location: New Canaan, CT
NRA member: Susan Cheswick
Operation: Huckleberry's
Profile: Fullservice restaurant
In business: 7 years
Seats: 190
Meals served: Lunch, dinner

"July and August are generally slow months for us, but we've been a little ahead of last year," says **Stu Goodfellow,** general manager of Huckleberry's. Many residents of New Canaan—a bedroom community 40 miles from New York City—vacation elsewhere during the summer. Goodfellow is optimistic about the fall: September through December is the restaurant's busiest period.

Huckleberry's prides itself on its broad appeal. "Customers in three-piece suits sit right next to people wearing blue jeans, and no one feels out of place," Goodfellow maintains. A diverse menu generates the wide customer mix, ranging from pasta primavera to gourmet burgers. The recently renovated decor, which includes a myriad of colors, textures and fabrics, also contributes to the restaurant's diverse personality.

During the summer the establishment focused on wine promotions, offering changing selections of wine by the glass. To celebrate the cooler fall months, Goodfellow is planning a similar campaign, but will highlight various ports and after dinner drinks.

2
MIDDLE ATLANTIC

Location: Montclair, NJ
NRA member: Muriel Windolf
Operation: Class Reunion
Profile: Fullservice restaurant
In business: 2 years
Seats: 150
Meals served: Lunch, dinner

"The summer business was a little stronger than we expected it would be," says **Chris Wetzel,** manager of the Class Reunion. Wetzel attributes the steady traffic to a gain in repeat business and the general growth of the area. Montclair, a historic town of about 40,000 residents, is being restored and rejuvenated.

The restaurant offers native American entrees that change seasonally. For instance, game dishes will be highlighted in the fall, while fresh seafood, fruits and berries were favorite summer ingredients. A number of lower-priced entrees are also planned for the fall to broaden the restaurant's appeal. Wetzel believes the wider price spectrum will encourage customers to experiment with unfamiliar items.

3
SOUTH ATLANTIC

Location: La Grange, GA
NRA member: Johanna Stark
Operation: In Clover
Profile: Fullservice restaurant
In business: 10 years
Seats: 200
Meals served: Lunch, dinner

Business has been "a little bit better" than last year, according to **Johanna Stark,** co-owner of In Clover. The local economy, based primarily on the textile industry, is somewhat flat.

Located in a restored turn-of-the-century Victorian house, In Clover offers a nostalgic atmosphere with period antiques and numerous fireplaces. Slightly more than 100 guests can be seated in the first floor rooms, while overflow customers and private parties are served upstairs.

The menu, which changes frequently, features American and continental specialties. Stark believes menu variety has been an important component of her restaurant's success. "La Grange is a fairly small town. By offering different entrees, we keep customers from getting bored," she says. The menu does have special trademarks, however, such as Stark's signature lace cookies—fragile, but crispy, brown sugar and oatmeal treats. These are always on the menu.

4
EAST NORTH CENTRAL

Location: Fish Creek, WI
NRA member: Richard Skare
Operation: The Cookery
Profile: Family restaurant
In business: 9 years
Seats: 85
Meals served: Breakfast, lunch, dinner

"This season seems to be about the same as last year," says **Richard Skare,** owner of The Cookery. Located north of Green Bay on a peninsula that juts into Lake Michigan, The Cookery's prime season runs between June and October. According to Skare, tourist counts for the summer season have been mixed—up in some areas, but down in others.

A small town of 100 residents in the winter, Fish Creek's population increases tenfold during the summer. Consequently, The Cookery is only open on weekends during the winter. To round out his business, Skare also operates a bakery and a deli.

Skare caters to families and is proud of his restaurant's reputation for serving only homemade items. His dessert tray, featuring eight to 10 fresh delicacies, is a favorite with customers.

5

EAST SOUTH CENTRAL

Location: Cullman, AL
NRA member: Ed Burrow
Operation: The Globe
Profile: Family restaurant
In business: 26 years
Seats: 110
Meals served: Breakfast, lunch, dinner

"Business during the day is up, but dinner is down," says **Ed Burrow,** owner of The Globe. He attributes the slow evening business to more people cooking out and enjoying the long summer days. Burrow is optimistic about the fall because a lot of travelers pass through the area.

Cullman, a fairly small town of 18,000 residents, is enjoying a healthy economy. The major industry, poultry farming, is experiencing strong growth.

A friendly family restaurant, The Globe offers a variety of menu items, including hamburger steaks, fresh vegetables and homemade biscuits.

6

WEST NORTH CENTRAL

Location: West Des Moines, IA
NRA member: Ron Smith
Operation: Mustards Restaurant
Profile: 3 barbecue restaurants
In business: 15 years
Seats: 30, 50 and 110
Meals served: Lunch, dinner

According to **Ron Smith,** owner of Mustards Restaurants, the depressed farm industry is affecting business throughout Iowa. Located in a suburb of Des Moines, his business is also down somewhat from last year. Although the area has been through difficult times before, Smith believes there could be a shakeout in the restaurant sector if the farmers' plight continues.

Barbecued items are the specialty at Mustards Restaurants. In a pit Smith developed himself, food is barbecued over a combination of woods, such as hickory and other fruit woods. Smith is so proud of his special process that he entered the National Rib Cook Off in Cleveland, OH—the only entrant from Iowa.

A distinct barbecue flavor is not the only factor that distinguishes Mustards from other barbecue establishments. The decor—art deco with scattered antiques—also gives the restaurants a unique personality.

7

WEST SOUTH CENTRAL

Location: Waco, TX
NRA member: Jack Schaevitz
Operation: The Health Camp Company
Profile: Fast food restaurant
In business: 36 years
Seats: 36
Meals served: Lunch, dinner

"Even though business is about 1½ percent below last year, we're still doing better than the average," maintains Jack Schaevitz, owner of The Health Camp Company. Schaevitz attributes the slight slowdown to the growing competition in the area.

Although the restaurant's name suggests a health food eatery, Schaevitz' good old American fast food restaurant serves high calorie favorites, such as double decker cheeseburgers and french fries. The name refers to the dairy company his family used to operate, not to the menu offerings. "If you enjoy our thick milkshakes everyday, you will weigh a ton," Schaevitz laughs.

Schaevitz believes his staff of older people have contributed a great deal to his restaurant's success. "They're used to feeding families," he explains.

8

MOUNTAIN

Location: Salt Lake City, UT
NRA member: John Williams
Operation: Gastronomy Incorporated
Profile: 4 fullservice restaurants
In business: 7 years
Seats: 100 to 150
Meals served: Breakfast, lunch, dinner

"Business is going well," says **Norma Graviette,** assistant at Gastronomy Incorporated. Salt Lake City is experiencing a lot of growth: There is a great deal of building going on, she explains.

The company operates four very different restaurants in Salt Lake City—each with its own unique flavor. The restaurants had to be different since three are located in the same large, restored historical building. For instance, the New Yorker Club serves French and American delicacies in very elegant surroundings. Catering to an upscale clientele, the restaurant even offers shuttle service to the opera. At the other end of the spectrum, the Oyster Bar is a casual gathering place that attracts a bustling after-work crowd. The Market Street Grill, the third restaurant in the building, is a comfortable family-oriented establishment, offering something for everyone.

The Broiler, located in a renovated firehouse, is yet another completely different concept, serving barbecued ribs, chicken and fish in an informal atmosphere.

Developing diverse restaurant concepts in one specific market has worked so well for the company that two more restaurants are on the drawing board.

9

PACIFIC

Location: Sacramento, CA
NRA member: Andrea Tyler
Operation: Rainbow's End
Profile: Fullservice cafe
In business: 8 years
Seats: 54
Meals served: Breakfast, lunch, dinner

"Even though business usually slows down in the summer, things have been great," says **Andrea Tyler,** owner of Rainbow's End. Tyler attributes the strong traffic to the eatery's well-established neighborhood business: 75 percent of her patrons are repeat customers.

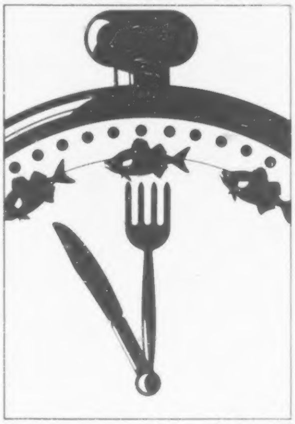
Serving a wide variety of salads and sandwiches, the restaurant is particularly known for its homemade hearty soups that change daily. The atmosphere is warm and friendly, featuring pastel colors and batik prints. "We didn't use reds or oranges because I never wanted Rainbow's End to be perceived as a fast food restaurant," she explains.

Like many fledgling restaurateurs, Tyler had trouble coming up with the perfect name for her establishment. Luckily Mother Nature intervened right before Tyler opened, producing a vibrant rainbow that stretched across the sky above the restaurant. The "good luck" image seemed perfect to Tyler, and the name has stuck.

FOOD FOR THOUGHT

The time is always right for seafood

Pacific Fresh, three restaurant units in Menlo, CA, increased Sunday brunch reservations by 300 percent when they introduced a special menu centered entirely around seafood items. Twelve seafood dishes are offered, from fresh Shark Steaks Topped with Poached Eggs and Bernaise Sauce to Salmon Benedict.



Pacific Fresh co-owner Richard Hamner believes that the novelty of a seafood-only brunch, combined with consumers' growing interest in seafood, accounts for the boom in business. "We expect 1,500 for brunch at our seafood houses each Sunday," he reports. *—American Express*

Nutrition hotline

For 61 years, Hain Pure Food Company in Los Angeles, CA, has been dispensing natural food products to consumers. Now they've begun dispensing nutrition advice as well.

1-800-HAIN-123 is the number to call to reach Hain's new toll-free, national nutrition hotline. A registered dietician has been hired by the company to respond to questions concerning nutrition and good health. The hotline operates Monday through Friday, between the hours of 9:00 a.m. and 5:00 p.m., EST, with a 24-hour answering service for late night or weekend nutrition crises. *—Washington Times*

NRA member hosts First Lady in Spain

When Queen Sofia of Spain wanted to impress Nancy Reagan during the Reagans' recent visit to Madrid, she treated the First Lady to lunch at Casa Botin, Madrid's oldest restaurant. Antonio Gonzales, owner of Casa Botin, is the only NRA member in Spain.

Casa Botin first opened its doors in 1725. Over the centuries, it has become one of the most renowned restaurants in Madrid, attracting celebrity guests with its traditional atmosphere and delicious food. In fact, Mrs. Reagan and the queen enjoyed their lunch at the same table that Ernest Hemingway used to favor when he dined there. *—The Washington Post*

Students run coffee shop

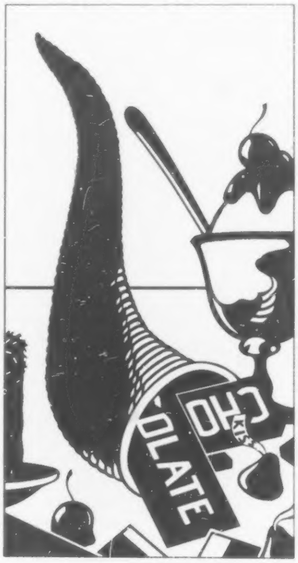
Recent customers at the Coffee Connection, a coffee shop located at the Howard University Inn, Washington, DC, noted that the servers were courteous, the food delicious and the managers efficient and eager to please. Nice qualities, they thought, but not unusual in a city filled with fine restaurants.

Until they took a closer look. All employees at the Coffee Connection, from dishwasher to manager, wore badges designating them as student interns from Howard University's hotel management school. A total of eight students run the restaurant four nights a week on a two-week job rotation schedule, so each student has an opportunity to act as manager. Says Maxine Donaldson, the Coffee Connection's first student manager, "I'm beginning to see what it's like to be in control, to exercise technical and conceptual skills and to have interpersonal relationships with my employees." *—Howard University*

Chocoholic nirvana

Only the iron-willed could possibly resist it—an all you can eat chocolate dessert bar, where one price buys all the chocolate mousses, tortes, bonbons and cakes you can consume in one sitting.

Too heavenly to be true? Think again. At the Wells-Warwick House in Lancaster, PA, customers pay $7.25 per person for unlimited access to the restaurant's chocolate dessert bar. The desserts are fetchingly arranged around a lighted, rotating carousel.



Judy Wells, owner of the Wells-Warwick House, says sales have increased 25 percent since the promotion began last November. "When someone sits down and has eight or 10 desserts, we lose money," she reports. "But others compensate for the loss by eating like normal people." *—The Wall Street Journal*

Hundreds of foodservice operators and caterers from across the country will come together at NRA's National Conference on Catering. Leading caterers and suppliers from all segments of the catering marketplace will pass on their expertise during presentations and workshops on trends, operating techniques, marketing opportunities, equipment and much more. From gourmet catering to mobile catering, this NRA National Conference covers it all.

Be there. Find out about catering in today's marketplace.

NATIONAL RESTAURANT ASSOCIATION
NATIONAL CONFERENCE ON CATERING

Sunday, November 10–
Wednesday, November 13
1985

Catering in Today's Marketplace

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NRA EDUCATION PROGRAMS, 311 FIRST ST., N.W.,
WASHINGTON, DC 20001

Your Ticket to Success

If you are currently in the catering market, you will have a chance to explore the innovations of today's marketplace. From the latest in catering equipment to the newest opportunities in marketing, you will find out how to build your bottom line and stay up front in your market.

If you are interested in a viable new profit center, catering is it. This conference will show you how to enter the catering market and successfully make your way to the top.

National Restaurant Association

Vol. 5 □ No October 1985

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NRA NEWS

RESTAURANTS AND THE ARTS

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NRA MEETINGS

Seminars

Basic Foodservice Courses

Basic Supervision in Foodservice

11/12	Savannah, GA
12/3	San Jose, CA

Dining Room Management

10/8	Bloomington, MN
10/22	Madison, WI
11/4	St. Louis, MO
11/13	Portland, ME
11/18	Billings, MT
11/20	Seattle, WA
12/3	Tampa, FL
12/5	Philadelphia, PA
12/10	Albuquerque, NM

Kitchen Management

10/1	Wilmington, DE
10/22	Colorado Springs, CO
10/24	Eugene, OR
12/10	Davenport, IA
12/12	Cheyenne, WY

People-Power and Profits

10/10	Falmouth, MA
11/21	Knoxville, TN

Tools for Training

10/24	Kansas City, MO
11/7	Toronto, Ontario, Canada
11/19	Honolulu, HI*
12/9	Columbus, OH

Food Production Courses

Creative Buffets

10/10	Arlington, VA
10/17	Indianapolis, IN
11/18	Chicago, IL

The Pantry: Prep for Profit

12/3	Atlanta, GA

Perfecting Your Culinary Skills

10/22	Boise, ID
10/24	Spokane, WA
11/7	Omaha, NE

Simplified Baking Workshop

11/12	Boston, MA
11/14	Philadelphia, PA

Soups and Sauces

10/15	Baltimore, MD
10/16	Williamsburg, VA
10/28	Burlington, VT
10/29	Pittsburgh, PA
11/14	Portland, OR

Foodservice Management Courses

Banquet Management

10/3	Chicago, IL
11/12	Raleigh, NC

Computers in Foodservice: A Primer

10/22	Oklahoma City, OK
12/2	Rochester, NY

Computers in Foodservice: Advanced Technology

10/23	Oklahoma City, OK

Employee Motivation

10/8	Salt Lake City, UT
10/27	Wichita, KS
11/13	Grand Rapids, MI
12/4	Rutland, VT

Food Cost Management

10/21	Ottawa, Ontario, Canada
12/2	Dallas, TX
12/9	Las Vegas, NV

Menu Development

10/14	Louisville, KY
10/15	Nashville, TN
11/19	Concord, NH

Off-Premise Catering

10/22–23	Minneapolis, MN
10/28–29	San Diego, CA
11/20–21	Richmond, VA
12/2–3	Lexington, KY

Operational Analysis

10/7–8	Detroit, MI
10/28–29	San Antonio, TX

Planning & Implementing Restaurant Marketing Strategy

10/8–9	Westchester, NY
11/20–21	Los Angeles, CA
12/4–5	Salt Lake City, UT

Real Estate & Restaurant Site Selection

10/2–3	Washington, DC
10/21–22	Boston, MA

Restaurant Design & Facilities Planning

10/30–31	Cincinnati, OH
12/11–12	Seattle, WA

National Conferences

National Conference on Catering

11/10–13	Las Vegas, NV

INFO 86: Independent Operators National Conference

2/16–19/86	Orlando, FL

National Conference on Computers

3/16–19/86	Washington, DC

For more information, contact:
NRA Education Programs
311 First Street, N.W.
Washington, DC 20001
(800) 424-5156 or
(202) 638-6100

Study Group Meetings

Management Information Systems (MIS)

10/13–16	Boston, MA

Quality Assurance

10/16–18	Boston, MA

Marketing Executives

10/27–30	San Francisco, CA

For more information on specific study groups, contact Philip Kralovec, (312) 853-2525.

**This is a special, shorter session of Tools for Training, offered at a reduced price in conjunction with the Pacific Area Food and Beverage Exposition.*

NRA NEWS

Vol. 5 No. 9 October 1985

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Editorial Typists
Valerie Pines
Riley Stern

Editorial offices
and NRA headquarters
311 First Street, N.W.
Washington, DC 20001
(202) 638-6100

Chicago offices
One Park Place, Suite 2000
Chicago, IL 60601
(312) 853-2525

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PRESIDENT'S REPORT

Ted Balestreri
Co-Owner
The Sardine Factory, Inc.
Monterey, California

Your association made its presence felt on Capitol Hill during the NRA Public Affairs Conference, September 30 through October 2. NRA members spoke with some of our country's most influential public figures.

Secretary of Agriculture John Block addressed the conference as did Senate Majority Leader Robert Dole and House Majority Leader James Wright, House Republican Whip Trent Lott and Rep. William Gray, chairman of the House Budget Committee. Each offered insight into current activity on the Hill and discussed issues of direct concern to our industry.

NRA members meet Congress

Conference participants then travelled up Pennsylvania Avenue for meetings with their congressional representatives. In small groups, association members explained the adverse effect of such proposals as limiting the deduction on business marketing meals, eliminating the Targeted Jobs Tax Credit (TJTC) or requiring ingredient labeling on packaged restaurant food.

NRA hosts congressional reception

On the final evening of the conference, NRA hosted the third annual Capitol Hill Reception entitled, Chef d'Oeuvre, which has quickly become one of the most anticipated receptions on Captiol Hill. Fourteen of Washington's finest restaurants presented their specialties during the informal reception. More than 200 members of Congress attended the reception, giving NRA members and conference participants an opportunity to discuss industry issues informally with their representatives.

Even the invitation presentation has become an event on Capitol Hill. Three weeks following the mailing of a formal invitation to Chef d'Oeuvre, members of NRA's Washington staff, dressed in chef's whites, delivered a follow-up invitation to each Senate and House member. The second invitation was attached to a box of cookies specially prepared by L'Amitie in Longmeadow, MA. In previous years, the reminder invitation has been attached to chef's hats and aprons. This year's edible invitation was a great hit with Capitol Hill staff.

Board reviews tax proposals

At its recent meeting, also in Washington, DC, the NRA Board reviewed the association's campaign to ensure the extension of TJTC and the full deductibility of the business marketing meal. I have personally visited five major media markets in the last two months in order to present our case to TV, radio and newspaper reporters and, through them, to the public.

At this writing, the House Ways and Means Committee is drafting the tax simplification bill which touches upon these issues. There appears to be little enthusiasm, however, for this bill in the Senate, and passage this year remains unlikely. NRA will continue to monitor the situation.

Board urges alcohol awareness training

The NRA Board also reviewed the association's alcohol awareness program. In view of the reduced availability of liquor liability insurance, the Board urges all members who sell alcoholic beverages to see that servers receive alcohol awareness training. NRA's training program is available through state restaurant associations.

The Board also voted to produce additional alcohol awareness training materials and make them available at the earliest possible date.

NRA produces new studies

NRA's Labor Issues Study Group is currently reviewing a study it commissioned on the future of foodservice labor supply. Issues of concern include the changing demographics of the workforce, competition in the labor market for qualified employees and strategies to attract qualified or trainable workers into the foodservice profession.

NRA has also completed a series of consumer focus groups designed to explore consumer attitudes toward eating out. The focus groups concentrated on three age groups: 18 to 24 year olds, 25 to 35 year olds and 55 to 65 year olds. The patterns that emerged during these focus groups will be incorporated into the 1986 Annual NRA Economic Forecast, which will appear in the December issue of ***NRA News***.

File form 11

A reminder: The increase in Federal Excise Tax for distilled spirits went into effect October 1. All foodservice operators selling alcoholic beverages should already have filed IRS Form 11. If you have any questions regarding the new requirements, contact NRA's Legal Department.

Sanitation materials available

There is currently increased public concern over health and sanitation conditions in foodservice operations. When our foodservice employees follow recommended sanitation procedures, there is no healthier environment anywhere than a restaurant kitchen and dining room. NRA publishes several manuals, brochures and charts to help you develop guidelines and assure a safe, healthy environment. Contact NRA for more information about safety and sanitation publications.

Catering conference draws members

NRA's second annual National Conference on Catering will be held in Las Vegas, NV, November 10 to 13. Catering offers foodservice operators from every segment of the industry increased opportunity for profit and exposure. Professionals who have made it to the top will share their experiences and their recipes for success during this two and one-half day program. Whether you are a caterer who needs to keep up with innovations in the industry or an operator interested in entering the catering marketplace, this program is a must.

Directory mailed

NRA's 1985–86 membership directory, *Who's Who in the Foodservice Industry*, has just been mailed to all NRA key members. This state-by-state listing of NRA's membership illustrates just how large and diverse your association is.

During September, 155 foodservice operators and allied suppliers joined us as members of NRA. Your participation in NRA will make your business grow and make your association more effective in its endeavor on your behalf. Welcome.

Sincerely,

Ted

Ted Balestreri
President and Chairman of the Board

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When restaurants and the arts come together, the results are often magical. This issue spotlights that glittering alliance.

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Cover photograph courtesy of
The Museum of Modern Art/Film Stills Archive.

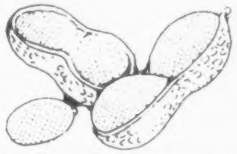
Coming up next month:
The problem customer

SHORT ORDERS

Idea kit from the Peanut Advisory Board

Shelled or unshelled, whole or halved, peanuts have added distinction to many cuisines. Their adaptability and nutritional benefits have made peanuts a wonderful complement to main course dishes of meat, poultry and seafood.

To highlight the taste and profitability of peanuts, the Peanut Advisory Board has compiled a full-color kit called "Profit Pleasin' Ideas with Peanuts." The kit contains helpful ideas and innovative recipes for main courses, desserts and nibblers as well as a sample table tent displaying peanut treats. Also included is an order form for free promotional materials. For your free kit, write Peanut Advisory Board, Box 7528, Tifton, GA 31793.

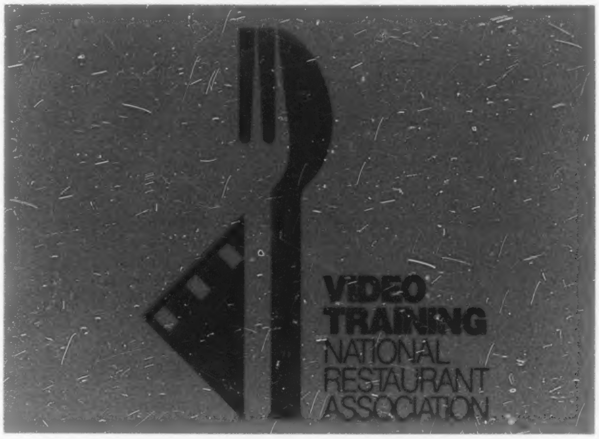


Logo for NRA's video training program

A logo has been found for NRA's video training program to be released in December 1985. The logo combines a fork and knife with some film celluloid.

The focus of the premier series will be on wait staff training. Each of the four cassettes in this program will be approximately 20 minutes long.

For more information contact NRA's education programs department in Washington at (202) 638-6100.



New book for health care institutional foodservice

The Dietary Managers Association (DMA) has published an operations manual designed to meet the needs of both the experienced professional and the student preparing for a career in the field. Called *Managing Food Service Operations: A Systems Approach for Health Care and Institutions*, the 425-page book is broken down into six major areas: institutional foodservice organization, patient/client relations, food facility personnel, food/kitchen management, financial planning and management and evaluation of dietary services.

Published in conjunction with DMA's 25th anniversary, the book was written by Jack D. Ninemeier of Michigan State University.

For further information, contact DMA, 4410 W. Roosevelt Rd., Hillside, IL 60162, or call DMA at (312) 449-2770.

American Express gives incentive to dine out

This summer American Express Card members were given an incentive to dine out in the greater New York metropolitan area.

Upon submission of three restaurant transactions in excess of $35 each, the participating cardmember received a complimentary package from South Street Seaport, consisting of two free tickets on the Andrew Fletcher, an authentic 1800's river paddleboat ($20 value); two free tickets to the Trans-Lux Seaport Theatre ($8 value), and a two-for-one entree offer from Roebling's, a popular Seaport restaurant ($15 maximum value).

Schneider named ACF National Chef of the Year

Public fame has been a way of life for Richard Schneider. He was the first American-born chef to be named to the United States Culinary Olympics Team, a member of the first graduating class of the Certified Master Chef program of the American Culinary Federation (ACF) Educational Institute and team captain for the gold medal winning 1984 U.S. Culinary Olympic Team.

His most recent honor was being named the American Culinary Federation's National Chef of the Year. Schneider accepted his award during the ACF's National Convention held each July in Nashville, TN.

The ACF National Chef of the Year is chosen by 13,500 members of the ACF.

WASHINGTON REPORT

New plans for Political Education Committee

NRA's newly-structured Political Education Committee (PEC) will be both raising and spending its funds in new ways during the coming year.

Under the auspices of Chairman Richard E. Marriott, PEC will be asking NRA's corporate and allied members for tax-deductible corporate donations to the PEC-administered Political Education Fund. These donations will supplement a financial base already established by the proceeds from the successful "Salute to the States—Tony Bennett Dinner," held during the 1985 NRA Show. A similar dinner is being planned for next May.

Richard E. Marriott

The committee's goal is to enhance restaurateurs' understanding of politics and politicians' understanding of the restaurant industry. The first disbursements from the Political Education Fund went to finance the NRA-sponsored Public Affairs Conference. The fund will also be used to pay honoraria to senators and congressmen speaking at various industry gatherings throughout the country, to underwrite the production of educational materials that underscore the effect government has on the foodservice industry and to instruct members in grassroots political action.

For further information or to share ideas, call the NRA Political Affairs Department at (800) 424-5156.

NRA sponsors conference on TJTC

NRA recently sponsored a national conference to discuss prospects for renewal of the targeted jobs tax credit (TJTC), which is scheduled to expire this December. Held on Capitol Hill, the meeting brought together the chief congressional architects for TJTC extension and representatives from employer groups and state labor departments to discuss efforts to get TJTC extended. Foodservice companies are one of the largest users of TJTC, and NRA strongly supports its continuation.

Rep. Charles Rangel (D-NY), the sponsor of the House bill, H.R. 983, which would broaden the credit and extend it for five years, told the group he is optimistic about chances for TJTC extension because there is no opposition in Congress.

Rep. Charles Rangel (D-NY)

Rangel recommended that TJTC beneficiaries write to their members of Congress in support of the credit. He noted that this kind of grassroots effort to educate the Congress will be especially helpful while Congress is debating tax reform legislation.

Sen. John Heinz (R-PA), sponsor of the Senate bill, S.1250, to extend TJTC, disagreed, saying TJTC would be tough to extend this year because of the debate over tax reform.

Heinz also said he is working to get the Department of Labor (DOL) to support extension and hopes to have DOL testify at TJTC hearings before a finance subcommittee.

NRA encourages members to write their representatives and senators to urge the passage of H.R. 983 and S. 1250.

DOL reviews exempt managers test

According to a report on proposed regulatory action released by the Office of Management and Budget (OMB) in August, the Department of Labor (DOL) is reviewing the rules it uses to determine whether a management employee is exempt from minimum wage laws.

NRA has sought changes in the DOL rules for years, and NRA attorneys are anxious to see what revisions DOL now has in mind.

Under current law, employees paid at least $155 a week are exempt from overtime requirements contained in the Fair Labor Standards Act (FLSA) if they meet certain tests pertaining to their duties. These tests include: 1) their primary duty must be management, 2) they regularly direct the work of at least two other employees, 3) they have the authority to hire or fire, 4) they exercise discretionary powers and 5) non-managerial duties take up no more than 40 percent of their time.

A higher, "upset" salary level of $250 a week or more exempts employees from FLSA if their primary duty is management and they direct the work of at least two other employees.

A rule increasing these salary levels was to become effective in 1981, but President Reagan stayed the new rule shortly after he was sworn in.

NRA opposed the increases at the time, arguing in comments to DOL that there was no proven need for any salary test figure given the use of the other tests for exempt managers.

Of particular concern to NRA has been DOL's policy regarding non-managerial duties. Managers in restaurants are called on to do many kinds of nonmanagerial jobs, such as operating the cash register, cooking, setting up tables—to keep the operation running smoothly and efficiently.

DOL policy accommodates retail managers who perform non-managerial duties to a certain extent; but generally only one management employee per unit qualifies as exempt, no matter how many supervisory personnel an operation may have.

Equal Access to Justice Act now law

President Reagan recently signed into law a bill that allows small businesses to recover attorneys' fees whenever the government fails to prove that it was "substantially justified" in filing a lawsuit against a small firm.

Known as the Equal Access to Justice Act (EAJA), this act extends provisions of a 1981 law that expired last year. The legislation was introduced by Rep. Robert Kastenmeier (D-WI) in April and was approved by Congress this summer.

Only businesses with a net worth of seven million dollars or less would be eligible for EAJA claims. Individuals would have to have a net worth of two million dollars or less to be eligible. The new law is retroactive to October 1, 1984, the date the 1981 law expired.

Restaurant central kitchen rules

Long-awaited regulations exempting restaurant central kitchens from meat and poultry inspection requirements were recently published in the *Federal Register*. The regulations are the result of an NRA-initiated bill that was signed into law at the end of last year.

To be exempt, restaurant kitchens must ship ready-to-eat food to local establishments owned by the same firm. The food transported must not require any further preparation, such as thawing or cooking, when it leaves the central kitchen to be considered "ready-to-eat." The food also must be maintained without preservation during transportation.

The exemption would apply to approximately 40 existing central kitchens. NRA hopes that this exemption will encourage more operations to take advantage of the efficiency offered by centralizing the preparation of certain products.

Restaurant central kitchens that provide ready-to-eat meat or poultry products for service in meals or as entrees through vending machines or at a catered function would also qualify for the exemption as would any central kitchen that provides ready-to-eat food to units across state lines.

A central kitchen, however, could be forced to resubmit to inspection by USDA if it were found to exhibit problems meeting sanitation requirements.

The deadline for comments about this proposed rule is October 21, 1985. NRA will be submitting comments to USDA in support of the change. A final rule is expected to be issued by the end of this year.

NRA examines liquor liability coverage

NRA brought together its Alcohol Awareness Task Force recently to discuss the difficulty operators have in obtaining liquor liability insurance and to develop a plan of action on third-party liquor liability.

Due to record-high court awards, many operators are finding their insurance is being dropped as carriers withdraw from the liquor liability insurance market. In some states, only one insurance company will offer liquor liability. Often that insurance is available only for restaurants who fit within very narrowly defined guidelines.

Operators who are able to find a company that is willing to write liquor liability insurance end up paying large premiums. One restaurateur in Michigan reports that his premium rose from $6,700 to $30,520 this year. Another operator from Louisville noted that when his $50 liquor insurance rider was dropped, the only coverage he could find cost him $10,090.

Insurance companies blame the rising cost and lack of coverage availability on the trend in the courts to award enormous sums in third party liability suits against restaurants. They claim courts lay blame based on the "deep pockets" theory—blame is on the party most able to pay. Increasingly, it is the restaurateur who is left holding the bag.

Currently 37 states have either dram shop laws or common law precedent for third-party liability suits. Eighteen states have dram shop laws that hold servers liable for damages caused by intoxicated customers. In 14 states such liability is established by common law.

Rep. James Florio (D-NJ), who chairs a House energy and commerce subcommittee with oversight on insurance matters, addressed the task force. Florio said he wants the federal government to set national insurance standards because the states, he believes, do not have the resources to effectively regulate insurance carriers.

Florio commended NRA for taking a leadership role in combating drunk driving with its alcohol awareness server education program. He called this a positive step which he hopes will encourage insurance companies to make liquor liability insurance more available.

—Jay Morris
Michelle Rabayda

THE BOARD ROOM

Balestreri crosses continent opposing meal caps

Championing the cause of the foodservice industry is nothing new to Ted Balestreri, NRA's chairman of the board and president. Balestreri (Sardine Factory, Monterey, CA) has just completed a whirlwind tour of major media markets across the United States, voicing the foodservice industry's opposition to President Reagan's proposal to cap deductions for business meal expenditures.

The tour took Balestreri and NRA Executive Vice President William P. Fisher to the offices of major metropolitan dailies and TV and radio stations in the cities of Los Angeles, San Francisco, Chicago, Atlanta and New York. The foodservice industry's point of view was presented to editors and reporters of *The L.A. Times*, the L.A. *Herald Examiner* and the L.A. *Daily News*, the *San Francisco Chronicle*, the *Chicago Sun Times*, the *Atlanta Constitution* and the New York *Daily News*.

In addition to countless radio interviews, Balestreri appeared on the following television stations: KABC, KCOP and KVCR-TV in Los Angeles; KRON and KBHK-TV in San Francisco; WMAQ and WBBM-TV in Chicago; GPTV-TV in Atlanta; and WCBS, WLIW-TV and Cable News Network in New York.

CIA Hall of Fame honors Jerry Berns

H. Jerome (Jerry) Berns, honorary director of the National Restaurant Association and former co-owner of the famed 21 Club in New York City, was recently named the first inductee to the Culinary Institute of America's (CIA) Hall of Fame.

Established to recognize outstanding leaders in the foodservice industry, the Hall of Fame chose Berns because of his professional and humanitarian contributions to foodservice and culinary education.

No stranger to industry awards, Berns is a recipient of IFMA's Gold Plate Award, the International Wine and Food Society's Andre Simon Medal and the Escoffier Award. He also was named to the College of Diplomats by the National Institute for the Food Service Industry in 1976. *—Dorothy Dee*

NRA President Balestreri talks to media about deduction caps.

NRA President Balestreri voices industry's opposition to business meal deduction caps.

RESTAURANTS and the ARTS

A Glittering Alliance

by Anne Papa

The actor, portraying Hamlet, moves to the center of the stage. He concludes the famous soliloquy with a resounding "Thus conscience does make cowards of us all. . . ."

The audience applauds. The actor bows. The lights go up to reveal—not a theater, but a restaurant. The back room of Manuel's Tavern, a 400-seat establishment in Atlanta, GA, regularly stages Shakespearean performances by the Atlanta Shakespeare Company to standing-room-only crowds.

"What we're doing here at Manuel's is bringing Shakespeare back to the environment in which he was originally appreciated," says Jeffery Watkins, artistic director of the Atlanta Shakespeare Company. "Back in Elizabethan days, Shakespeare's plays were always performed in courtyards, bars or taverns." Says Robert Maloof, co-owner of Manuel's Tavern, "The exposure has been great for business. Now people come to Manuel's for a taste of the finer things in life."

The arts—theater, music, dance, painting—have always represented a celebration of "the finer things in life." Coming together to dine out has also traditionally been viewed as a form of celebration. That is why the combination of the two, either with the restaurant as a promoter of the arts or as a setting for artistic expression, is so natural. As restorers of the human spirit, each complements the other.

How are restaurateurs promoting the arts in their establishments? Some foster artistic appreciation by developing or sponsoring art shows, sculpture displays or musical and theatrical presentations in their restaurants. Others act as catalysts for creative expression by sponsoring contests or promotions associated with artistic happenings in their community. Still others participate in established programs which foster the arts.

Of course, restaurateurs benefit from these promotions, with increases in customer traffic and the development of a community-minded reputation. But equally important in the eyes of many operators is the intrinsically rewarding increase in cultural awareness among their customers—or even the opportunity to launch a struggling artist's career.

Art on display on restaurant walls . . .

"Art creates conversation and interest," maintains Michael Grisanti, co-owner with partner Gabriele Vincenzo of Casa Grisanti, a 180-seat upscale restaurant in Louisville, KY, "not only within the art community but within the community of our guests as well." At Casa Grisanti, many conversations are sparked by the rotating show of paintings which are displayed in the restaurant. The walls are hung with a rough, hemp-like material to withstand new hangings every six to eight weeks. The artwork, ranging from primitive to early American to impressionist to modern, is selected and supplied by a nearby gallery. In exchange, Casa Grisanti hosts a gala reception at the opening of each new show, generating publicity for restaurant, gallery and budding new artists alike.

Shakespearean performance at Manuel's Tavern.

Furthering the careers of struggling artists is the theme behind a similar promotion in a Wendy's franchise unit on Manhattan's Upper West Side. The franchise, one of the 23 Wendy units owned by New York, NY-based Integrated Food Systems, is located in the heart of the city's "artsy" district. What better way to become an integral part of the surrounding community than by sponsoring an arts promotion? Thus developed "Wendy's Starvin' Artists" program. Every 30 days the works of different local artists are displayed in five plexiglass showcases in the restaurant. In exchange, the exhibiting artist receives 30 free meals from Wendy's. The exhibitors are selected by a free-lance artist commissioned by Integrated Food Systems to line up shows. So far, company-generated publicity (in the form of press releases) and a large in-store sign advertising the program have been enough to solicit artists.

Elise Levine, director of marketing for Integrated Food Systems, says the promotion has been so successful that it has been implemented in another Wendy's unit near Brooklyn College. On display there are rotating exhibits by students at the college's art department. These works are selected by the department chairman, an acquaintance of Levine's. "It's a good idea to cultivate contacts in the arts world for promotions such as this," she advises.

Sandra Lederman, manager of Afterwards Cafe in Washington, DC, doesn't have to look far to find art work to beautify the walls of her restaurant. Partly because the cafe shares operating space and ownership with a bookstore and partly because it is located in Washington's arts district, the restaurant attracts many aspiring artists as waiters, waitresses and bartenders. So Afterwards occasionally sponsors a staff art show, featuring the works of various staff members. The ceilings of the restaurant and bookstore are lined with molding to accommodate frequent hangings, while free-standing bookshelves are used for sculpture.

Lederman says the shows are promoted mostly in-house and through word-of-mouth among the art community. "One artist created a poster to advertise her show here," she reports, "and that was one of the first items she sold."

At the Blue Mesa Restaurant (150 seats, Chicago, IL) owner Phil Marienthal hosted a day-long festival in his restaurant to promote the artwork on display there. Called Santa Fe Art Market '85, the festival was held on the first Sunday in June and featured the works of six painters and craftsmen, all of whom specialize in American Southwestern art. The festival was co-sponsored by a nearby art gallery which, like the Blue Mesa, has made a name for itself in Chicago as a promoter of Southwestern culture. The gallery and the restaurant pooled their resources, combined their mailing lists and disseminated press releases and invitations—miniature reprints of paintings to be displayed—to more than 1,000 people.

On the day of the event, a festival atmosphere was created inside the restaurant and on the patio. A live jazz band performed while various food booths dispensed Southwestern

In a recent promotion by Raleigh's department store in Washington, DC, the windows were designed to look like the interiors of six area restaurants.

Musician entertains customers at Burger King.

delicacies—specialities of the Blue Mesa. Well over 400 people attended the event.

Marienthal describes Santa Fe Art Market '85 as "an ideal way to introduce people from Chicago to Southwestern cuisine, by serving it with Southwestern culture." He reports that, although no profit was made on the event, its promotional value was felt in increased traffic for a couple of months afterwards. He is already referring to Sante Fe Art Market '85 as the first in an annual series.

Live performances on site . . .

Of course, the arts embrace more than paintings and sculpture. Many restaurateurs create artistic environments by sponsoring live performances in their establishments. The Shakespearean plays at Manuel's Tavern are a good example. So are weekly poetry readings held at Larry Blake's, a 225-seat restaurant and bar in Berkeley, CA. At Larry Blake's, Monday and Tuesday evenings were so slow that Joe Zahner would usually close early. The owner of a nearby bookstore (who also happened to be a regular customer) noticed the early closings and asked Zahner if they

Catering company that caters to artists

Juliet Neidish, a young dancer living in New York City, needed a second job that would provide good money, be fairly steady and still leave time for rehearsals.

Great Performances, Artists as Waitresses, Inc., a New York, NY-based catering company, looks for employees who have flexible schedules and a flair for fine service. The company was perfect for Neidish, and she was perfect for the company. She worked her first party as a "Great Performer" three years ago and has been with them ever since. "Great Performances understands the lifestyle of a performing artist," she attests. "In fact, lifestyles are a major consideration when getting a job with them in the first place."

More than 200 artists in New York City have worked for the catering company since its founding in 1979 by co-owners Janet Lee and Liz Neumark. In fact, Lee and Neumark first got into business themselves as struggling artists who needed steady work. "I was a flamenco dancer, and Liz was a photographer," recalls Lee. "But we couldn't hold regular jobs because our schedules were too erratic." So the partners began their own catering business, designed specifically to accommodate artists' schedules.

"The wonderful thing about working for Great Performances is that you always have a job waiting for you," says David McCann, an actor who's been with the company for two years. "You can go on tour for six months, then come back. They put you right to work."

And although the "Great Performers" who serve as waiters, waitresses and bartenders at some of New York's most exclusive parties are there as professional foodservice workers, artistic contacts can sometimes be made. "Some of our regular clients have attended my performances," reports Neidish. Says McCann, "I've gotten a number of auditions from people who have watched me tend bar, then came up to me and said, 'I like your style. I know of a part you might be perfect for. . . .'"

could hold poetry readings in the upstairs bar on those nights. He made a temporary agreement to provide the space, hoping to balance the overhead costs of staying open with food and beverage sales.

It was a gamble that hit a promotional jackpot. The readings are now held in the main dining room downstairs, which accommodates more people. Not only are the evenings profitable, but Zahner says public perception of his establishment has changed as well. "Our clientele has a much higher opinion of us now," he avows. "We're no longer 'just a hamburger joint.' We have something new and different to offer."

At three Burger King franchises in central Virginia, co-owner Gene Chismer wards off winter doldrums by hiring live musicians to perform in the restaurants during slow periods. He and his partner rely on a booking agent to line up acts, but they also keep a continuous look-out for potential performers. For instance, Chismer recalls that they booked a female soloist in their Williamsburg unit after hearing her conduct a folk music church service at the nearby College of William & Mary. "She had a following among the students, many of whom came to Burger King to hear her perform," he says.

"We got tremendous press coverage," he reports. "People are pleasantly surprised to find a guitarist or duet playing at a Burger King. The way I see it," he adds, "good music can be appreciated anytime, anywhere."

Some establishments have done more than simply augment their offerings with the arts. At La Festin du Gouverneur, a 225-seat banquet hall in Montreal, Quebec, Canada, guests are literally surrounded by theater the moment they walk through the doors. "Our atmosphere has been created to transport guests back in time," describes Madeleine Dufresne, general manager, "much in the tradition of Ireland's Bunratty Castle, where the concept originated." Waiters and waitresses double as troubadours clad in the colorful garb and style of New France (Canada) in 1681. Each evening, two customers are chosen to enact the roles of "governor and his lady." These two are clad in velvet robes and sit at the head table. Between courses of French-Canadian cuisine, they and their "noble guests" are entertained by singers and musicians. The evening ends with the entire dining room joining in a ceremonial toast to the "governor and his lady."

Historical theatre is such an important part of the restaurant that waiters and waitresses are hired as entertainers first, servers second; in fact, some are local television and radio personalities who view the opportunity as a challenge. Nightly repertoires vary according to the performing styles of the artists on duty.

Restaurants as "patrons" of the arts . . .

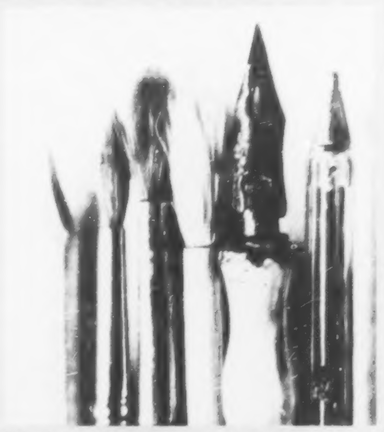
For the restaurateur whose space and/or atmosphere is not conducive to supporting the arts on-site, there is another effective way to promote artistic appreciation among customers. Discounts and specials that focus on artistic events in the surrounding community can be equally effective in identifying a restaurant as a "patron of the arts."

Some establishments have their artistic connections ready-made for them. At the Museum Cafe, for instance, a 190-seat cafe in Baltimore, MD, that overlooks the city's famed Museum of Art, both proximity and name automatically associate the restaurant with the museum. In fact, the Cafe's outdoor terrace is known citywide for its spectacular view of the museum's sculpture garden, which includes works of such renowned artists as Henry Moore, Rodin and Naguchi. To further the connection

Contemporary art in a corporate structure

Jasper Johns. Robert Rauschenberg. John Chamberlain. Andy Warhol. These are only a few of the contemporary artists whose works adorn the offices of Ponderosa, Inc.'s corporate headquarters in Dayton, OH. Ponderosa, which owns or franchises 45 Ponderosa Steak Houses and 19 Casa Lupita Restaurants nationally and internationally, began the corporate art collection 11 years ago with 50 pieces of art. Today the collection includes almost 100 paintings, lithographs, sculptures and three-dimensional art pieces from the 1960s, 1970s and 1980s. It is displayed in the offices and lobbies of the company's main headquarters, and two additional collections—photography and "homespun" country art—are exhibited in two adjacent buildings.

"The Ponderosa Collection" was established by Gerald S. Office, Jr., chairman of the board and president of Ponderosa, because of his personal appreciation of contemporary art and his desire to contribute to the Dayton community. "The Dayton Chamber of Commerce regularly schedules tours through our offices," explains Nancy Berry, communications specialist for Ponderosa. "We have many community groups and art students from nearby universities coming through, also." Additionally, she says, pieces are periodically loaned to area museums for contemporary art shows.



"Tools" by Ben Schonzeit (1974) is one of the Ponderosa Collection's more popular pieces. It is an excellent example of the "new realism" of the 1970s, which used photography as a source of images. Tools, a 60" x 48" acrylic on canvas, was created with a very fine point air brush.

Ponderosa has commissioned an art consultant, Carl Solway, to regularly scout contemporary or avant-garde exhibitions and galleries for potential additions to the collection. On Solway's recommendation, Gerry Office then personally previews a piece of art before it is acquired by Ponderosa. "He considers not only his own tastes but also the tastes of his employees," attests Berry. "After all, one of the greatest benefits of the collection is to those of us who work here. Creative art inspires a creative working environment."

between the privately-owned restaurant and the city-operated museum, the owners regularly run specials that tie in with the museum exhibits. A recent exhibit entitled "Silk Robes and China Ships" featured art from the Orient, so the Museum Cafe's chef created a special called "Scallops Orientale." Another exhibit featured the original drawings of King Babar, the cartoon elephant loved by generations of children. During the show, the Museum Cafe printed a special children's menu complete with drawings of the elephant in all his royal splendor.

New York City's posh Tavern on the Green restaurant takes advantage of its close proximity to Lincoln Center, a cultural mecca for opera, dance, music and theatre performances, by offering a special dinner/show package during the opera season. According to Odile Passin, marketing director for the 464-seat restaurant, last winter Lincoln Center contacted the restaurant to set up the promotion. "They hoped the dinner/show package would attract business on nights when the opera house was less than full," she explains. "If they were anticipating a slow night, they would contact us, and we would reserve a number of seats at the middle of the house for our customers."

Passin says the restaurant and the center advertised the package together, both through in-house promotions and through direct mail to regular customers. "We usually had no problem filling the seats, although we did find the promotion to be more popular with large groups," she says, adding that individuals, couples and small groups tend to prefer choosing their own seats. Nevertheless, Passin reports that the promotion was so successful during the winter opera season that it was extended through the summer ballet season as well.

Louise Glickman, co-owner of the Riverbend, a 139-seat restaurant in New Orleans, LA, says her restaurant promoted the opening of New Orleans' cultural season last September in much the same way as the Tavern on the Green—champagne cocktails to patrons who had ticket stubs from one of three nearby arts centers. "Down here in New Orleans, we call this type of promotion 'a little lagniappe'—a little something extra," she laughs. "It's our way of saying thanks for the wealth of culture that surrounds us."

Although none of the four American Cafe restaurants in Washington, DC, are located near one of the area's foremost outdoor arts arenas, Wolf Trap Farm Park in Vienna, VA, that didn't stop the restaurants from developing a promotion in conjunction with Wolf Trap. In fact, the distance actually inspired the promotion. "Everybody loves seeing performances at Wolf Trap, but no one likes fighting the traffic to get out there," remarks Maria Weiss, general manager at the American Cafe on Capitol Hill. So American Cafe chartered a double-decker bus to pick up customers at each of its four locations to transport them to Wolf Trap. When customers arrive at the arena, they have the option of receiving a boxed picnic dinner to be enjoyed on the park's sprawling lawn or of being served a gourmet meal in style—from silver candelabras to waiters in tuxedoes. After the performance, everyone is transported by bus back to the four American Cafe locations.

Weiss says the promotion has attracted publicity not only for the American Cafe chain but for Wolf Trap as well. And, just to be certain that customers don't miss out on any big performances, an oversized framed Wolf Trap schedule of events hangs in the lobby of each American Cafe.

Contests create interest in the arts . . .

Contests are another means by which operators can promote the arts. At the Wendy's units owned by Integrated Food Systems in New York, customers can enter Wendy's "Culture Club" sweepstakes by picking up applications at Wendy's, filling them out and dropping them in boxes set up in New York's Prospect Park, home of an ongoing arts festival. The winner of the sweepstakes receives "One Thousand Dollars of Culture," $1,000 to spend on cultural events of his or her choosing. Integrated Food Systems monitors expenditures by requiring the winner to turn in ticket stubs or receipts from any play, concert, movie, gallery show or similar cultural event for reimbursement.

Milford, CT-based Subway Corp., with 496 company-owned or franchised units across the country, has built a name for itself among customers and movie studios alike as *the* company that promotes new films through contests and giveaways. Subway got into the movie business a couple of years ago when 20th Century Fox Studios approached them about doing a tie-in promotion with a newly-released picture called "Porky's." According to Subway's Marketing Director Dick Pilchen, that first promotion was a big hit, with Subway sponsoring giant ham-sub eating contests ("Pig Outs") in units across the country.

Since that time Subway has sponsored numerous movie-related contests at the request of various studios. "The word got out that we are the company to contact for movie promos," speculates Pilchen. Other feature films which have been promoted at Subway include "Police Academy," "Into the Night" and "The Breakfast Club." For the next movie promotion, Pilchen says the company and the participating studio plan to run a contest among Subway franchise owners themselves. The franchisee who conducts the most creative contest in his or her restaurant will win a part as a bit player in an upcoming film.

All the world's a stage . . .

The relationship between restaurants and the arts is largely symbiotic. Contests, associated promotions, on-site performances, festivals and displays benefit restaurants, artists and artistic institutions. They expose customers to new art forms and they expose art enthusiasts to new cuisines and establishments.

Sometimes, it is even difficult to tell where one leaves off and the other begins. A recent promotion sponsored by Raleigh's Department Store in Washington, DC, illustrates how the restaurant itself can be regarded as an art form. To promote the store's line of "business suits for power lunches," Raleigh's invited six of the city's most prominent restaurateurs to have lunch—in the store's display windows. The windows were designed to look like the interiors of the participating restaurants.

Mel Krupin (Mel Krupin's, Washington, DC), one of the participating restaurateurs, recalls that an audience of curious onlookers and news cameramen gathered to watch them as they ate. "It was like eating in a fishbowl," he says. "But that's the nature of the restaurant business. We're constantly on display."

Mo Sussman (Jo and Mo's, Washington, DC), another participant agrees: "I felt like an actor on a stage." ❑

RESTAURANT OWNERSHIP
New Spotlight for Celebrities

by Cecelia Niepold

Burt Reynolds
Sonny Bono
Clint Eastwood
Barbara Mandrell
Joe Theismann
Carroll O'Connor
Conway Twitty
Dudley Moore
Melissa Manchester
Joe Montana
Bill Anderson
and
Paul Anka

● ● ● ● ● ●

This is no ordinary cast of stars. These celebrities star in their own productions-restaurants.

Clint Eastwood wanted a place where he could relax with friends. Dudley Moore wanted the opportunity to play the piano at whim. And Joe Montana was looking for a business investment that could help provide "life after football."

These are just a few of the many celebrities who have found that restaurant ownership can complement personal interests and goals. The cast of notables in the restaurant business is colorfully diverse. Their reasons for involvement, restaurant concepts and ownership roles differ dramatically. Each, however, has given his restaurant a definite star quality.

Reasons for involvement . . .

Clint Eastwood's goal was to create a home away from home for himself and friends. His Hog's Breath Inn fills this role perfectly. Tucked away on a side street in Carmel-by-the-Sea, CA, the 120-seat country pub is unpretentiously casual. Guests can dine indoors, surrounded by dark wood paneling and mounted boars' heads, or outdoors on the stone courtyard, where brightly lit brick fireplaces often warm cool California nights.

For Boston Red Sox ex-pitcher Jerry Casale, opening a restaurant was a perfect way to keep up with old friends. "I wanted to be with people," says Casale, Boston's rookie of the year in 1959. "Now they know where to find me. If I had any other kind of job, I would never see some of the great friends I had when I was playing ball." His small, 50-seat Italian restaurant in Manhattan has become a favorite haunt for both today's and yesterday's sports celebrities.

Because many celebrities conduct their business in restaurants, Tony Bill decided to open 72 Market Street, an 85-seat eclectic restaurant in Los Angeles, CA. Bill, well-known producer of "The Sting," owns the establishment with several other partners, including Dudley Moore and Liza Minnelli. "Tony spends a lot of time in restaurants, as many movie people do," explains managing partner Julie Stone. "Many have all their meetings in restaurants. It's an aspect of the restaurant business that is sometimes overlooked."

Personal interests. Often celebrities become involved with the restaurant business because it complements personal interests or hobbies. For Moore, an accomplished musician, partnership in 72 Market Street offered an opportunity to play the piano whenever he wanted in an enjoyable atmosphere.

Although Burt Reynolds is an investor in several restaurants, his 450-seat Burt Reynolds Jupiter Theatre (Jupiter Beach, FL) is an expression of a personal love—the theater. Reynolds wanted to share this feeling with the community and says, "I want a theater at prices they can afford." Reynolds is very active in the establishment and has appeared in several productions. The theater also reflects Reynolds' firm commitment to encourage young people in the field and includes an intensive one-year apprentice program.

Restaurant ownership was also a way for Sonny Bono to share something he has always enjoyed—cooking. "I like to cook and have always cooked for my friends," Bono explains. Bono's decision to open a restaurant was spontaneous, prompted by an unexpected "for rent" sign outside a building he had always admired. On a whim he stopped in, the realtor happened to be there, and Bono took the plunge.

"When I was a pitcher, I had to produce every time I went out there. In the donut business I find it to be somewhat the same. You have to perform every day, you can't let things slide."

—*Mickey Lolich*

Financial reasons. Some celebrities enter the restaurant field primarily as investors or behind-the-scenes partners. Often, however, their investment choices reflect personal interests as well. San Francisco 49er football stars Joe Montana and Dwight Clark are now partners in a D'Lites of America franchise company, Horizon Restaurant Development U.S.A., Inc. While the association is definitely an investment in the future, both players believe the health-oriented fast food concept is something they can enthusiastically support.

Country singer Bill Anderson's decision to become a Po Folks franchisee was a little more personal. In the 1960s, he rose to fame with a song entitled "Po Folks" and even named his band after the tune. Curious about the "new" Po Folks (especially since friends had begun to compliment him on "his" restaurant), he decided to check out the country-style chain. "It soon became obvious the two parties had good reason to work together," explains Don Klein, spokesperson for Po Folks. Today Anderson is the chain's advertising spokesman and partner in a franchising company, Po Group, which has also attracted Conway Twitty. Other celebrities taken with the chain's down-home image include Burt Reynolds, Barbara Mandrell and country Western music producer Buddy Killen. They are partners in the Banditree Company, which franchises Po Folks.

Prestige. Many celebrities like the spotlight attached to restaurant ownership. They are proud of their association and enjoy saying, "Come dine at my place."

Restaurants reflect personalities . . .

Celebrities often give their restaurants a special sparkle. Some play major roles in developing their establishment's personality, while others, due to time and career constraints, play only minor parts.

Daily operations. Mickey Lolich is one celebrity whose involvement definitely shows. Formerly a star pitcher for the Detroit Tigers, Lolich now controls a different set of batters—donuts. Initially an investor in a "basic" donut shop, Lolich has since designed his own 22-seat place in Lake Orion, MI, called Mickey Lolich's Donuts. He is very involved with daily operations and actually helps make the donuts. Baseball memorabilia, skylights and wood-beamed ceilings differentiate the shop from typical donut restaurants.

Although restaurants are not Sonny Bono's only career, his two Bono's strongly reflect his personality and background. The 120-seat establishments (Los Angeles, CA, and Houston, TX) serve authentic Italian entrees, many created by Bono or culled from family recipes. "I'm Italian. This is what I was brought up on. This is what I know. So that's what I cook," Bono explains. Bono is very active in his restaurants and works in them whenever possible, from greeting guests to helping the chefs in the kitchen. "I like to know how every post in the restaurant works," he says proudly.

Although Clint Eastwood generally stays out of the kitchen, he is a frequent guest at his Hog's Breath Inn and very much an on-site owner. His guidelines for the restaurant are closely followed (food must be well prepared, simple and tasty), and employees respect his association. "You forget he's a movie star," says manager Joyce Kutchins. "He's a wonderful boss, and that's how we think of him."

Restaurant atmosphere. Often celebrities' personalities are reflected in their restaurants' atmosphere. The decor at Joe Theismann's, a 200-seat sports-oriented restaurant in Bailey's Crossroads, VA, definitely emphasizes its owner's career and interests. Theismann, quarterback for the Washington Redskins, has filled the walls with photographs of athletes from every sports field, including football, of course. And, at Paul Anka's 800-seat Bay Shore in Las Vegas, NV, three walls of photographs of Anka and well-known friends add glitter to the complex.

Recipes and menu items. Other celebrities give menu items and recipes their personal stamp. At Bao Wow's, a new 36-seat dim sum (Chinese appetizers) restaurant in Beverly Hills, CA, Melissa Manchester created the recipe for the restaurant's specialty chicken dish and songwriter and co-owner Bernie Taupin and his wife developed many of the restaurant's dumpling combinations. Rusty Staub, pinch hitter for the New York Mets, developed the special barbecue sauce that spices up the signature spareribs at Rusty's, his 95-seat eatery in Manhattan. A gourmet chef, Staub works closely with the chef and regularly instigates menu changes.

Menu items at Clint Eastwood's pub reflect, not his personal preferences, but his screen image. The entrees, whimsically named after his films, include the "Dirty Harry" burger and the appropriately named "Sudden Impact"—Polish sausage, hot peppers and cheese on a roll.

Careers often interrelate . . .

Celebrities bring a variety of talents and interests to their restaurants. Often their "other" careers, whether sports or entertainment, help them in their restaurant operations.

Competitiveness. For instance, Helen Sigel Wilson, former amateur golf champion, believes many athletes succeed in the restaurant business because they are competitive risk takers. "If you're good in one field, you can use the same drive in another field," Wilson says. "Running a good restaurant is a lot like playing golf—you compete, set goals." Never settling for second best has infused her approach to restaurant management. "You can't just hit the ball off the tee well. Your whole operation, like your whole golf game, has to be good," she maintains. Wilson's competitive spirit has served her well. L'Auberge, her 185-seat French restaurant in Stratford, PA, has been open almost 19 years.

Production orientation. Tony Bill, utilizing some of his conceptual abilities developed as a producer and director, has successfully combined a host of diverse textures in his 72 Market Street. Housed in an original 1920s arcade, the decor integrates artwork from Bill's personal collection and striking pieces of sculpture with offbeat accents, such as mirrors, marble, copper, exposed brick walls and granite. Bill's ability to work with people has also helped the restaurant's development. "He's directed a lot of people and is known for spotting good talent," says partner Julie Stone.

For Sonny Bono a restaurant operation, like show business, is very production-oriented. "It's a lot like show biz," he maintains. "It's really pulling in an audience and then getting them to like your product. If you're a hit, it can be a big validation."

Ideas. Sometimes the tables are turned, and restaurant ownership gives celebrities fresh ideas for their "other" careers. One case in point is Carroll O'Connor. He became a partner in The Ginger Man (a 102-seat restaurant in Beverly Hills, CA) about the same time he started his "Archie's Place" series. "His knowledge of how the restaurant worked gave his scripts a little more authenticity," explains managing partner Richard Liss. "We had a female chef in the restaurant, and he added one to the show."

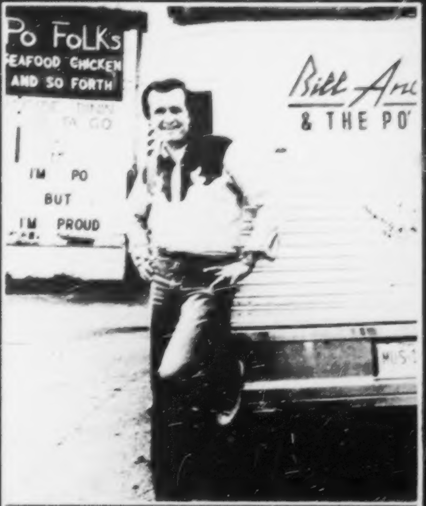
Does the name help? . . .

Undoubtedly, an association with a major personality can help a restaurant. People will often flock to a celebrity-owned establishment, hoping to catch a glimpse of well-known faces.

Helen Sigel Wilson discovered the value of her name early in her restaurant career. "When I first opened the restaurant, I didn't want to use my name; I felt it would be like bragging. But friends said I was losing a lot of potential business, so I added my name. And it did help," she says.

Sometimes, however, celebrity ownership generates too bright a spotlight. "If people think you're just a celebrity putting your name on a product, they don't take you seriously. And if something isn't exactly right, they jump on you a little harder," says Sonny Bono. For Mickey Lolich, it's a matter of personal pride. "I don't want people to come in just because I'm an ex-baseball player. I want them to come in because they can get something good to eat."

Most everyone involved in celebrity-owned restaurants agrees that famous names don't automatically ensure success. Richard Liss emphasized this point during an initial meeting with co-owners Carroll O'Connor and Patrick O'Neal, saying "Your names will bring them in the door, but my operating will bring them back." Julie Stone strongly agrees. "Our success is not due to the names involved. It is due to the food, the service and the professional way the restaurant is run," she says.


Po FoLKs
SEAFOOD CHICKEN AND SO FORTH
I'M PO BUT I'M PROUD
Bill An
& THE PO

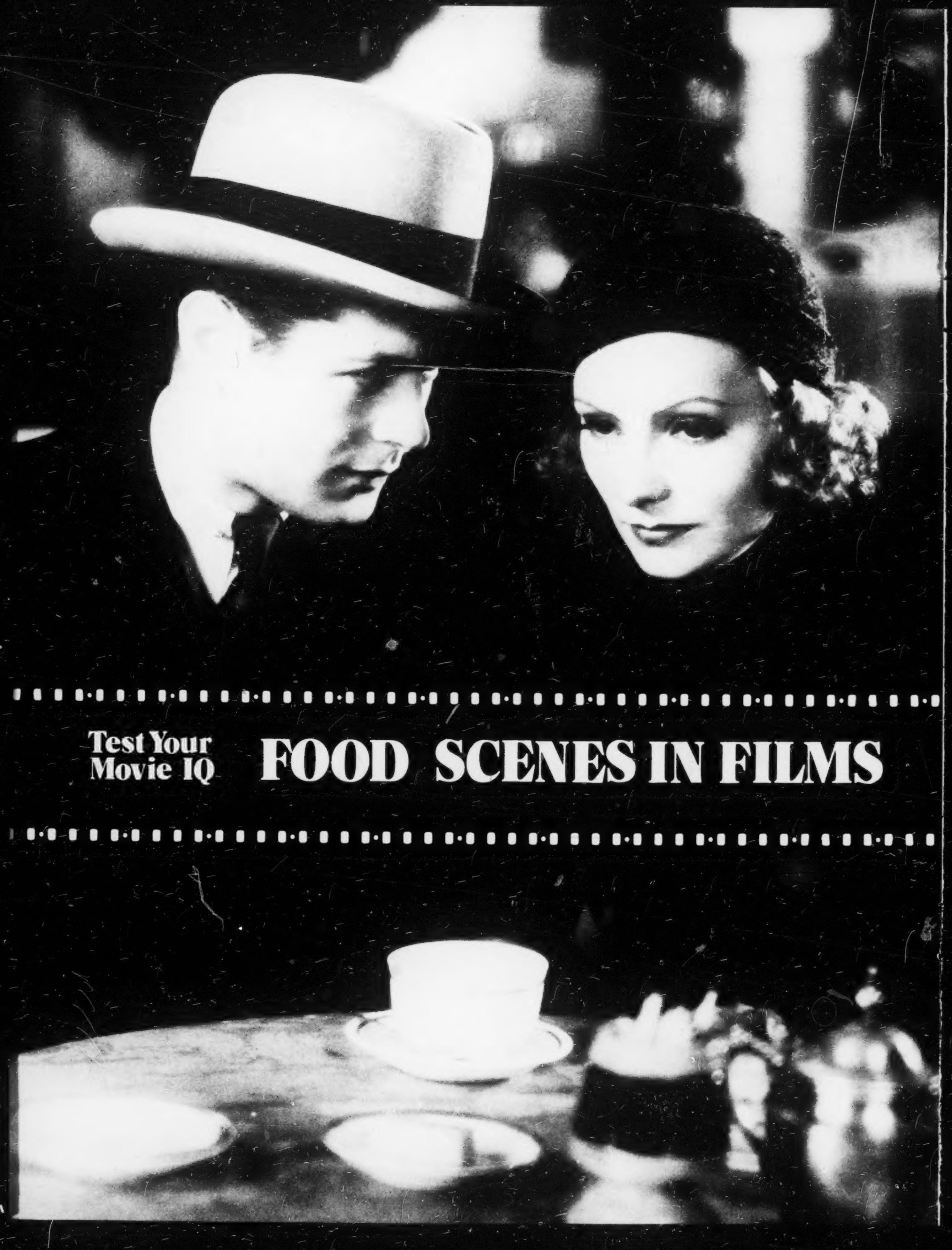
"When I visited my first Po Folks restaurant I realized that Po Folks represented many of my own personal values."

—Bill Anderson

Bob Hyland, retired New York Giant and Green Bay Packer pro, found this out the hard way. His initial involvement with the 120-seat Single Wing Pub (White Plains, NY) was strictly financial. "When we first opened, it was less than top-notch. I was an absentee owner, and it didn't really work," he says. Today he is much more involved and works closely with management. His personal interest has paid off. He has opened a second sports-theme restaurant, the 170-seat Sports Page, in White Plains.

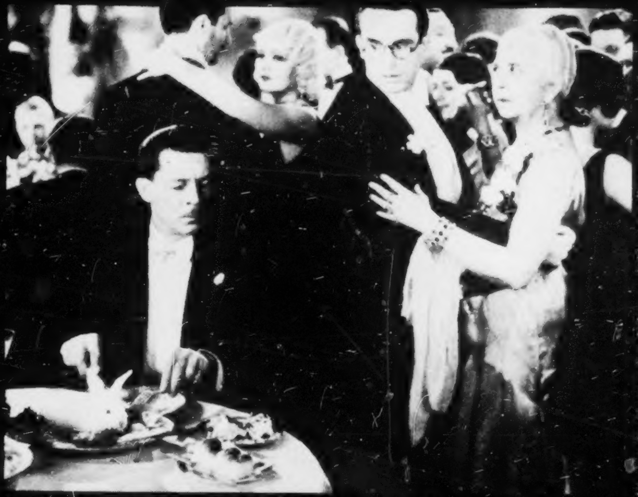
Is it satisfying? . . .

Although baseball will always be his first love, Jerry Casale has found the restaurant business to be very rewarding. "There's no better way to mix the past and the present," he explains. Fellow baseball player Mickey Lolich agrees: "You can take pride in what you're doing. There's a lot of satisfaction in pleasing people." As Quay Hays, co-owner of Bao Wow's, laughingly says, "Everyone wants to talk to you if you're the restaurant owner." ❑



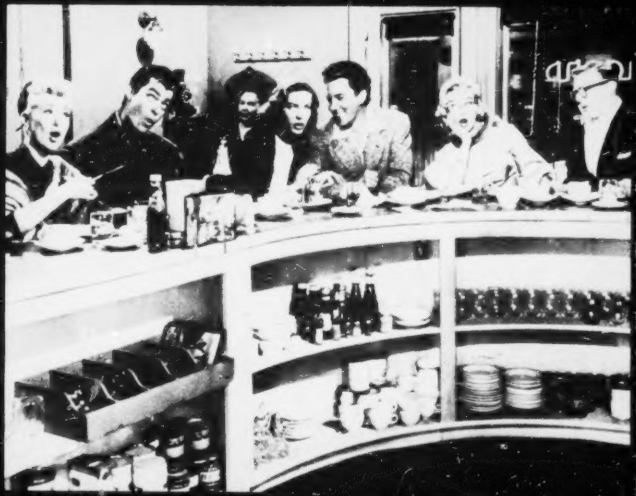
Test Your Movie IQ

FOOD SCENES IN FILMS



Wisconsin Center for Film and Theater Research

B: Everything is "insane" about this film—from the menu to the title.

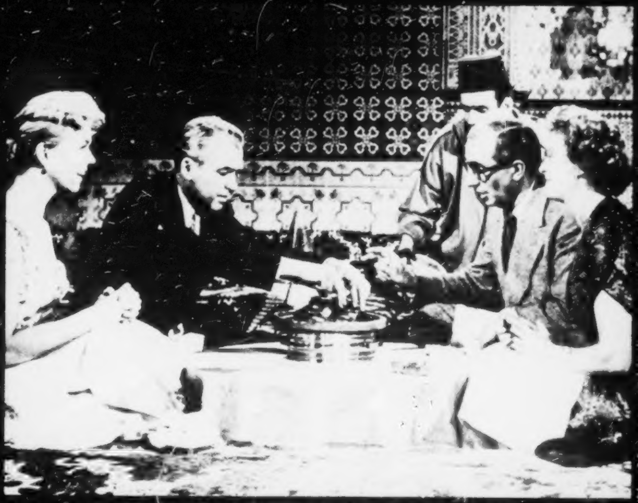


Wisconsin Center for Film and Theater Research

D: For girls who want rich husbands. (These are no ordinary girls; check out the one in glasses; she's Norma Jean.)

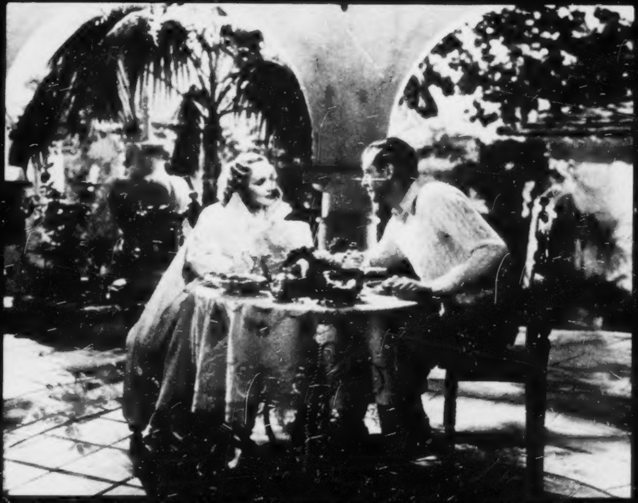
◀ A: Genius. With silver screen's greatest femme fatale.

Dining out and the movies have long been partners. And with good reason. At their best, both films and dining out occasions create memories for the public—combining the familiar with a touch of fantasy, romance or drama. It is no wonder, then, that directors turn to restaurants to create a mood or backdrop for dramatic highpoints in their pictures. In the following movie stills you can see some of the classic pairings: from romantic tete-a-tetes to comic misadventures. Test your movie I.Q. and see how many movies and stars you can identify. Notice the hints below the stills. To check your answers, turn to page 25.

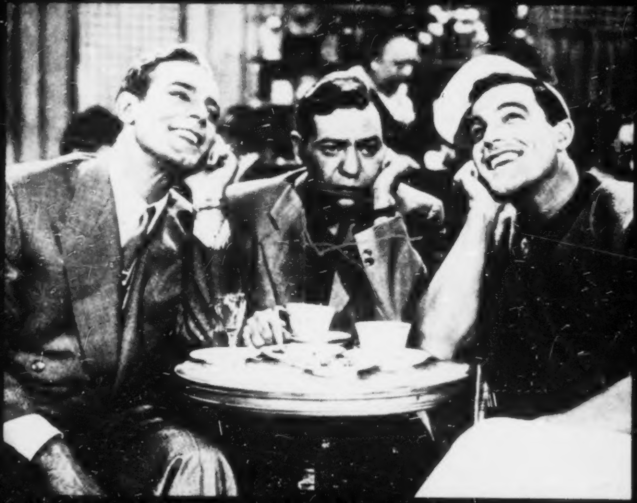


The Museum of Modern Art/Film Stills Archive

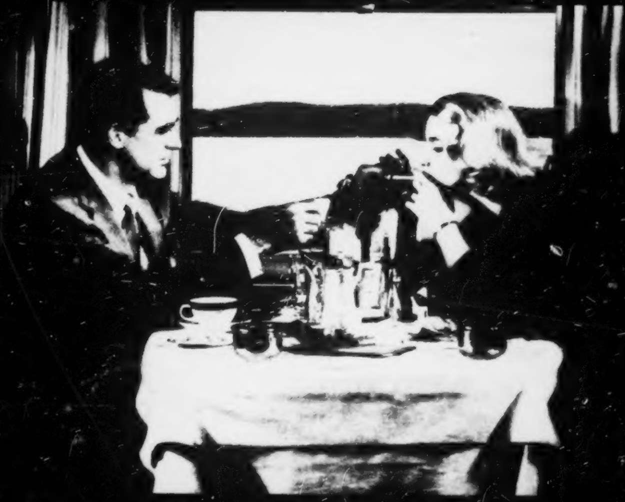
E: Sometimes being too smart can get you in trouble. This restaurant scene provides a break in the action.



C: Longing. Starring Germany's most famous actress and America's swashbuckler.

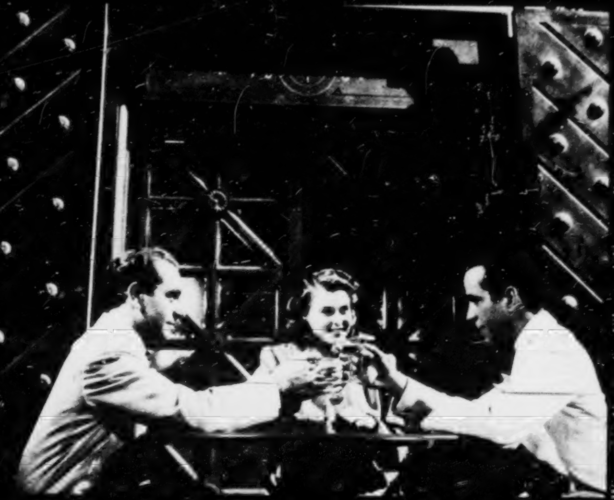


F: Dreaming about the same girl in a French cafe.



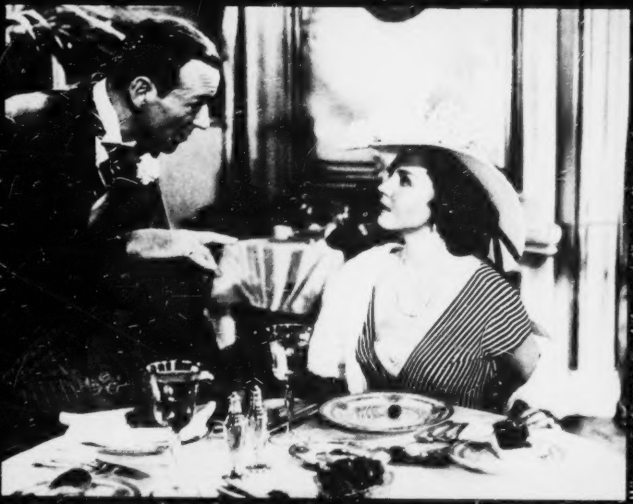
G: Getting acquainted on a train. Destination: Mount Rushmore.

Wisconsin Center for Film and Theater Research



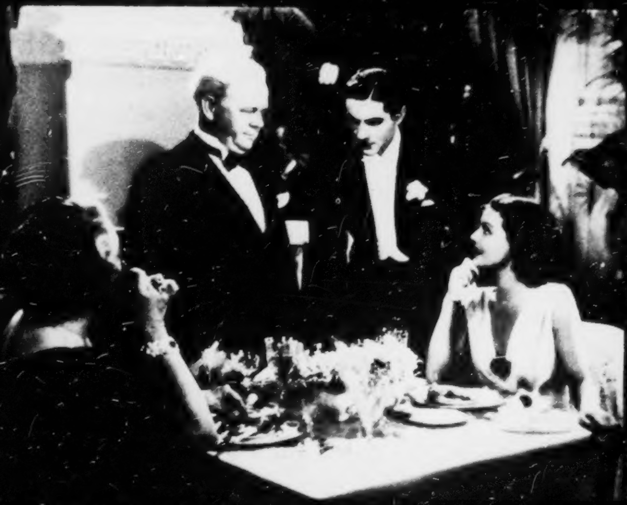
J: "Of all the gin joints in all the towns all over the world, she walks into mine."

Wisconsin Center for Film and Theater Research



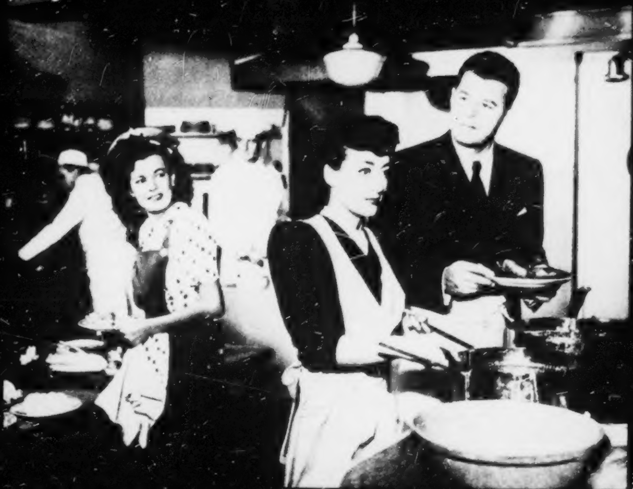
H: It's the time of the year for a bonnet and a promenade. Why isn't anybody eating?

Wisconsin Center for Film and Theater Research



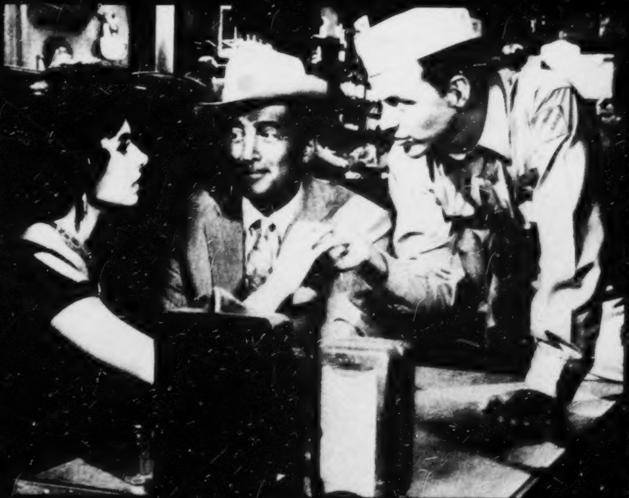
K: You wouldn't want the headwaiter of this restaurant (name of movie) working for you.

The Museum of Modern Art/Film Stills Archive



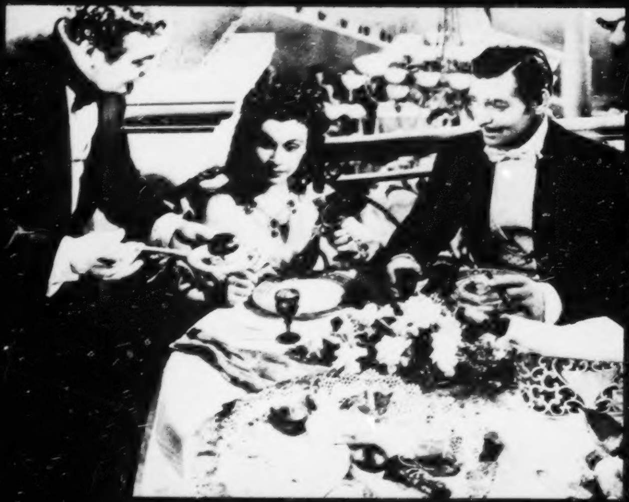
I: She's always in control.

Wisconsin Center for Film and Theater Research



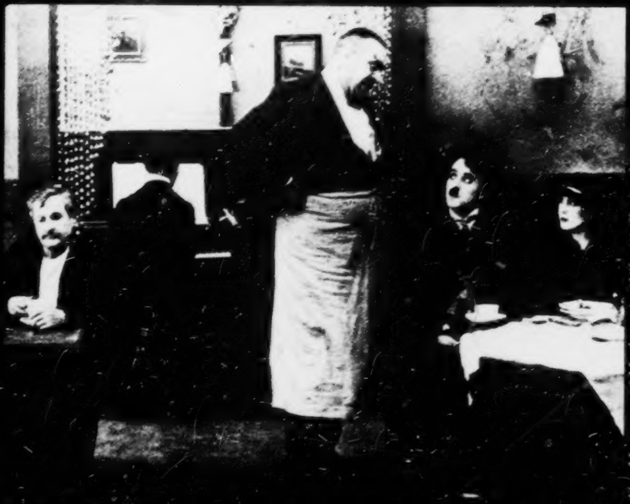
L: They arrived in a hurry. But can they sing?

Wisconsin Center for Film and Theater Research



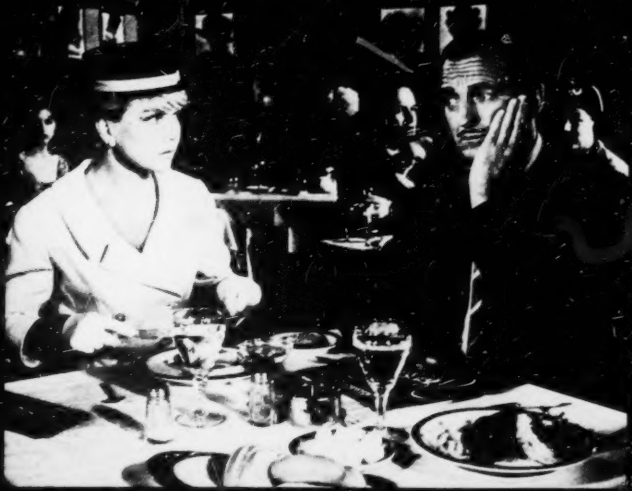
The Museum of Modern Art/Film Stills Archive

M: Scarlett O'Hara celebrates her honeymoon with Rhett Butler.



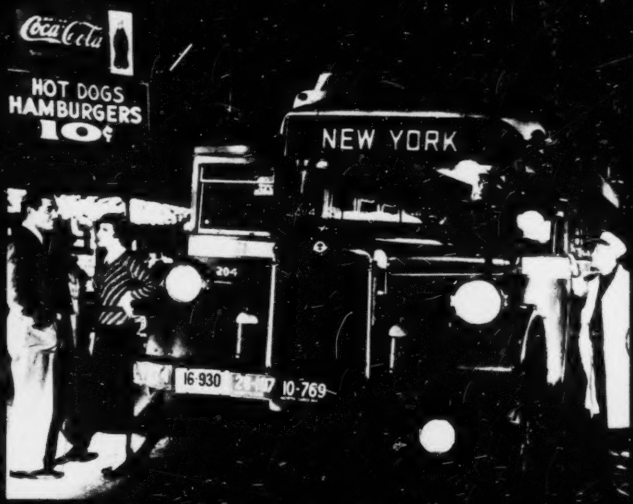
The Museum of Modern Art/Film Stills Archive

N: Ordering can be a problem when you just got off the boat.

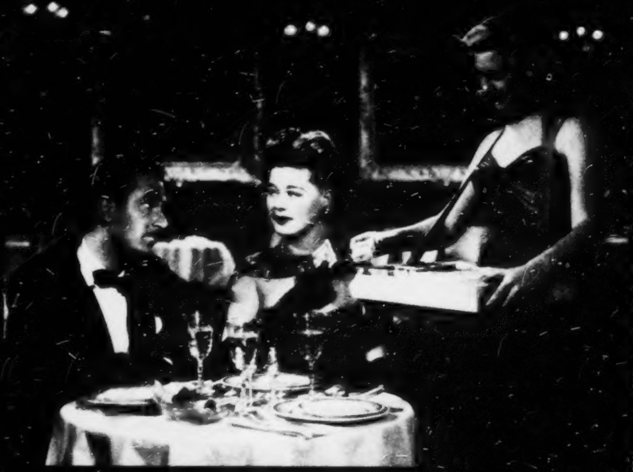


The Museum of Modern Art/Film Stills Archive

O: "Flowers aren't served at Sardi's."

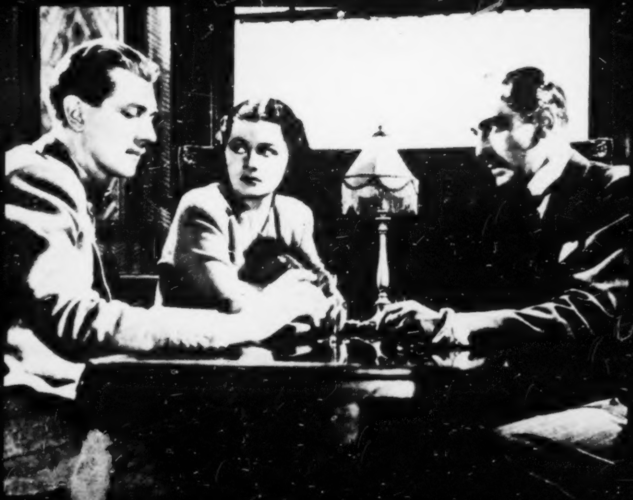


P: Blame it on the moon and a broken down bus.



Wisconsin Center for Film and Theater Research

Q: First line in letter to a businessman's right hand.

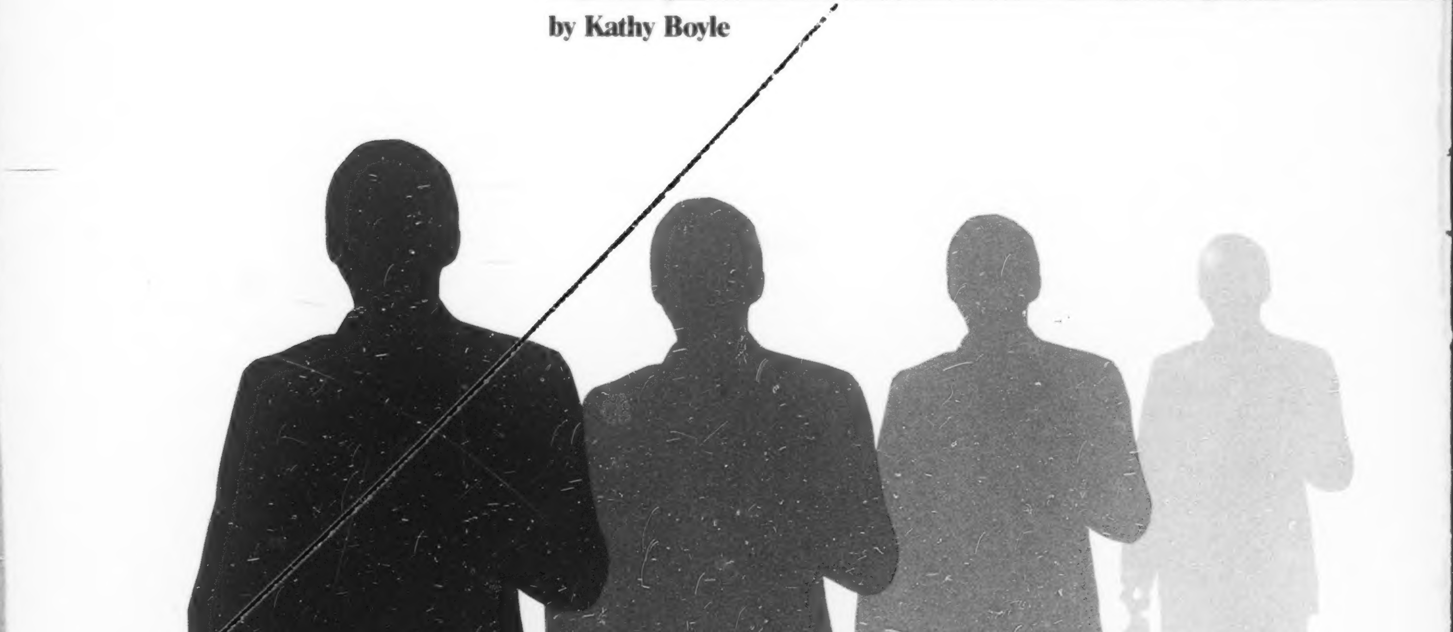


R: "I know she was on this train." Classic Hitchcock thriller.

KEEPING YOUR EMPLOYEES

How To Make Them Stay

by Kathy Boyle



Although there are many different programs restaurants can implement to keep employees, the basics are constant: Treat them with the respect you expect them to show your customers and find a way to let them grow with you. Then they will stick with you. Along the way, fun, team-building activities and benefits help ease the pressure.

It's an old, familiar story in the restaurant industry: You've just gotten your head cashier trained and comfortably settled in his job when he decides to quit. Down the drain go recruiting, training and experience dollars. Now, it's back to the newspaper to place another want ad.

[redacted]

The reasons for high turnover in the restaurant industry are many:

Perception of the job as transitory. A lot of the problem seems to come from a stereotyped perception of restaurant work as a transitory job rather than as a career. "Restaurant work is a way to a means," says Jim Errant, president of Errant Enterprises, Inc., operator of The Chicago Claim Company and other Chicago, IL, restaurants. "It's the idea 'I'm just getting through until I can do what I really want to do.' " Don E. Dufek, director of human resources for Domino's Pizza, Inc., in Detroit, MI, agrees: "We're dealing with young people who are still casting about for their career directions."

Low pay. Another large part of the reason for high turnover is the large number of restaurant jobs that pay no more than $5.00 an hour and often the minimum wage. "As an industry we are not able to pay a living wage to the primary wage earner. So, if they are ambitious, they will find something better," observes William R. Miller, president of Miller Enterprises, Inc., operators of the Duck Inn in Virginia Beach, VA.

No incentives. Adding to the problem of retaining employees is what many term "a lack of incentives." Says Dufek of Domino's, "As an industry we haven't really offered people career opportunities, a share of the profits and the good parts of the business which lead to fulfillment."

Easy burn-out. At the same time, the high pressure and the long hours lead to early burn-out. Ironically, what brought many restaurant workers to the business in the first place—flexible work hours—often results in their quitting. "When they begin, they like the flexibility of the work schedule," explains Errant, "but after a while, the night and weekend work becomes a grind."

[redacted]

Despite the difficulties of keeping good restaurant employees, there are many companies that do manage to lower their turnover and keep the best employees. Overall, the programs that seem to work focus on good employee selection, good treatment of employees and, finally, good employee opportunities. Selecting good employees means good interviewing (see "Interviewing for Superstars," June/July 1985 issue, ***NRA News***). Interviewing aside, however, how employees are treated on the job is probably the most important reason for influencing turnover.

Make them feel important . . .

Restaurateur Errant believes the number one reason for his retention success is his attitude that people are the top priority. "If you ask 100 people why they come back to The Chicago Claim Company, I think 95 percent will say it's the people," he says. "People are that important. That is why they deserve to be treated well. I believe that the number one reason people leave a job is management. Somewhere the leadership falls down. If you are interested in people, they will want to work. They will begin acting like owners themselves. When they face a query from a customer, instead of saying 'I don't know,' you'll hear, 'Let me find out the answer for you.' "

Specifically, Errant suggests that managers never reprimand an employee on the floor. "Overall, feedback should be positive," he maintains. Michael J. McDonnell, director of human resources for Marriott's restaurant group, also views positive reinforcement of employees by managers as essential. "Managers are often afraid to compliment employees for doing something well," observes McDonnell. "They are sensitized to controlling so many aspects of operation, such as ordering, labor costs and food costs, but the most successful managers are those that also have a high degree of interpersonal skills."

Give them on-the-job training and communicate . . .

Often the problem of poor management starts with poor training. Good training involves more than handing new employees a handbook. It means working with them so they know what they are selling before they go out on the floor.

Good communication between management and employees is another way to make employees feel they are important. In a small operation one-on-one conversations are possible. As an operation gets larger, however, other tools become necessary. The flow of communication from management may be as simple as Domino Pizza's weekly employee newspaper, which recognizes the good job employees are doing. Communication from employees to management, however, is a little harder to achieve as the operation gets larger.

Employee comment sheets are one excellent way to hear from employees regularly. At The Chicago Claim Company, all employees fill out a comment sheet every day. They write down what customers said, they evaluate the food served and the conditions that day, and they comment on what was good and bad on the shift. Both managers and chefs read the sheets religiously. "I want happy sales people out there selling for me," says Errant.

Larger companies, too, want to foster a feeling that employees do matter. At the Marriott, a recently introduced program, "Guarantee of Fair Treatment," gives any employee the right to appeal any management decision. In other words, if an employee doesn't agree with his or her performance appraisal, for example, he or she has the right to appeal the matter all the way to Marriott's president without fear of reprisal.

Offer advancement opportunities . . .

To keep their employees many companies have developed career advancement programs. For example, at Kentucky Fried Chicken (headquartered in Louisville, KY), the career advancement program details how to advance in the company, offering a career path for every hourly employee. "The program spells out how to get all the way up to the store manager level," explains Billie Brown, manager of public affairs for KFC. "We feel the program has cut our turnover from 200 percent per year to 120 percent. Employees see they don't have to have a college degree to eventually manage a million-dollar-a-year business."

Kathy Gray, personnel manager for Magic Pan International (headquar-

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Kathy Boyle is a free-lance writer in the Washington, DC, area who writes frequently on foodservice topics for ***NRA NEWS***.

tered in San Francisco, CA), points to the advantages a multi-unit operator has over single-unit operators in retaining employees. "Forty percent of our management trainees come from the ranks of hourly workers. We communicate the opportunities we offer to our hourly workers through posters, meetings and during on-the-job orientation. In addition, our managers are regularly asked to identify hourly workers with management potential. Employees see better opportunities for salary and growth in a multi-unit operation, especially a firm that is growing."

Obviously, it is harder for a smaller company to offer the same opportunities. But by allowing managers to exercise responsibility and by keeping them abreast of company finances and other information, personal pride and involvement grow.

Offer incentives and benefits . . .

Some operators have found that giving good employees vested interest in company success through some type of profit-sharing works well. At the Duck Inn employees participate in a formal profit-sharing plan for retirement as well as a profit-sharing bonus plan. Miller explains how the bonus plan works: "We set a budget, and for every dollar we do over budget, one-half goes to supervisory or decision-making employees responsible for ordering, scheduling or cutting out waste."

Not many restaurateurs offer profit-sharing. Although some offer incentives (such as plaques, T-shirts, trips), most believe equitable pay, career opportunities and benefit programs play a larger role in employee satisfaction. Typical benefit programs can range from health and life insurance to paid holidays, but the restaurant industry still lags behind other industries. Some companies, however, are beginning ambitious, innovative programs. Domino's Employee Assistance Program, for example, offers to help employees with their personal problems. These problems can range from stress-related depression to alcohol and drug abuse to financial and marriage counseling.

Involve spouses . . .

Because managers often spend 60 to 80 hours a week on the job, some companies have inaugurated programs to help managers get more understanding at home. Domino's Partner's Program is an innovative example. Domino's organizes a tour before working hours so spouses can see how pizza is made and what kind of paperwork is involved in day-to-

How the best make them stay

- An open-door policy
- Flexible job slots
- Employee stockholding shares
- Promotion from within
- A hydroponic greenhouse on the premises

These are some of the ways the best companies encourage their employees to stay, according to *The 100 Best Companies to Work for in America*, a recently published book by Levering, Moskowitz and Katz. In this list four companies were chosen in the restaurant/hotel category.

General Mills, Inc. is a large food company that also runs restaurants, operates some specialized retail stores and makes toys and clothes, employing 75,900 people.

Ask somebody waiting on tables at Red Lobster or sewing the alligator on an Izod sport shirt for whom they work, and they probably won't say General Mills. Most employees of General Mills' 60-plus subsidiaries identify strictly with their immediate business, and that's the way General Mills management wants it.

The drawing card at General Mills is the diversity, but the drawback is the long way up the corporate ladder.

However, *Savvy*, a magazine for businesswomen, was so impressed with the number of female managers at General Mills that it named the company one of the best places for women to work. The company rule is to promote within except in high-growth areas, such as restaurants and toys, where the company does a lot of outside recruiting.

Ralston Purina Company operates 63 animal feed plants across the country, ranks as the world's largest supplier of pet foods, makes cereals, packs tuna fish, and runs nearly 1,000 restaurants (Jack in the Box). It employs 59,000 people, half in its restaurants.

Ralston's management ranks are relatively thin, a feature that enables managers to present and develop their ideas. The company has an affirmative action program.

SAGA Corporation feeds people at more than 1,000 locations—colleges, hospitals, corporate dining rooms, and public restaurants—across the country. It employs 50,000 people.

SAGA is listed as a great place to learn how to run a restaurant. In the past, SAGA's main business was feeding students at colleges. Today, however, school programs at 350 colleges generate only a third of the company's one billion in sales. Many of SAGA's 3,000-plus managers, however, joined the company as student-managers at one of its college dining halls.

SAGA has developed excellent training programs, working closely with Stanford University. SAGA is considered a preeminent training ground.

Fringe benefits available to managers above the college cafeteria level include life insurance, disability insurance, 100 percent reimbursement for job-related courses, a stock purchase plan (85 percent of market price), and a profit-sharing plan that supplemented salaries by 8.7 percent in 1983.

SAGA's campus-like complex in Menlo Park, where 500 people work, has one of the most extensive collections of modern art in California.

Westin Hotels operates 55 upscale hotels in 11 countries and employs 25,000 people.

There's a lot of movement within Westin from one hotel to another, especially if you are on a management track. Although Westin tries to maintain the individual character of its hotel, its professional managers would be at home in any of them.

Westin has high standards and is recognized as a hotel chain that runs a good show. Although it may change in the future, Westin traditionally has been a place where you did not need a college degree to climb to the top.

To motivate people, Westin has employee recognition awards of all kinds. One annual award presented for outstanding management achievement offers a free trip around the world. Another award for outstanding community service adds an extra two-week vacation and $5,000 in cash.

One management perk is free hotel rooms at a Westin Hotel.

19 ways to motivate employees

1. During a time the restaurant is closed, occasionally take a group of 10 employees from different job categories out to eat, relax and talk.

2. Regularly check with employees to make sure their financial needs are being met: Are they getting tips? Are they working the hours they want?

3. Recognize top-sellers on a daily basis at the shift line-up. It gives quick reinforcement and much appreciated recognition.

4. Create an ad or promotion around an employee who invents a new menu item: "Charlotte's New Chicken Sandwich" special.

5. Let employees know you think they are important by letting them name new menu items.

6. Send flowers to employees' homes for their one-year, five-year, etc. employment anniversaries.

7. Promise to work one shift for the best seller each month.

8. Pay for regular field trips to other restaurants.

9. Award the best employee an all-expenses-paid trip to an NRA seminar of his/her choice.

10. Make corporate managers visible in the field. Require that they do kitchen work and seat customers.

11. Begin publishing a spouses' newsletter to let them know what's happening.

12. Organize spouses to provide welcome-wagon-type services for new employees transferred to the area. New employees feel more a part of the team when they know about schools, shopping and transportation.

13. Offer a scholarship to returning college students for the "best employee of the summer."

14. Offer a prize of tickets to the movies, Ice Capades, theater or important football game.

15. Develop a fitness program or offer a discounted membership to a local fitness center.

16. Organize fingerprinting and picture-taking of youth with child-find organizations. Employees or employee spouses can write down descriptions of children to give to local police.

17. Use format of college or high school academic bowls to test knowledge of company procedures.

18. Sponsor a "Great Waiter/Waitress Contest." Use your procedures as well as historic pictures and restaurant trivia to build interest.

19. Challenge another restaurant to a race, softball game or tournament.

day activities. "Then later, if the manager is working at home on paperwork, the spouse knows what they are doing, and may even be able to help them," explains Marcia Harding, program coordinator. Spouses also are included in regional managerial meetings. Often one person of the management team explains a particular aspect of the business.

An outgrowth of the Partner's Program is a unique Pizza Partner's Dictionary, a book defining the terminology of the pizza industry. Terms include everything from common business terms like ASAP (as soon as possible) to pizza peel (large spatula used for moving pizzas in and out of the oven). The intention of the dictionary is to help new Domino spouses understand their spouses' jargon.

In addition to learning about the pizza business, other Domino's Partner's Programs have included speakers on financial planning and marriage counseling. But the most beneficial aspect of the program seems to be the mutual support the group fosters. Spouses are encouraged to meet among themselves to discuss similar problems.

Use handicapped workers for low skill jobs...

Another way of minimizing employee turnover is to hire the handicapped, especially for low skill jobs. "So many young people view these lower skill jobs as temporary, but the handicapped view them as a lifelong job," says Miller of the Duck Inn. A side benefit of hiring the handicapped is the Targeted Jobs Tax Credit available to employers that hire from certain disadvantaged groups.

In sum . . .

As fewer workers are available for restaurant work, keeping the good ones becomes more important. By treating employees with respect and consideration, the chances that they will grow with you increase. ❑

Answers for movie quiz pages 18–21

Page 18

A. *Inspiration* (1931); Greta Garbo, Robert Montgomery; Metro-Goldwyn-Mayer.

Page 19

B. *Movie Crazy* (1932); Harold Lloyd, Arthur Housman, Louise Closser Hale; Paramount.

C. *Desiree* (1936); Marlene Dietrich, Gary Cooper; 20th Century-Fox.

D. *How to Marry a Millionaire* (1953); Betty Grable, Rory Calhoun, Lauren Bacall, Marilyn Monroe, David Wayne; 20th Century-Fox.

E. *The Man Who Knew Too Much* (1956); Doris Day, James Stewart, Bernard Miles, Brenda de Banzie; Paramount.

F. *An American in Paris* (1951); Georges Guetary, Oscar Levant, Gene Kelly; Metro-Goldwyn-Mayer.

Page 20

G. *North by Northwest* (1959); Eva Marie Saint, Cary Grant; Metro-Goldwyn-Mayer.

H. *Easter Parade* (1948); Fred Astaire, Anne Miller; Metro-Goldwyn-Mayer.

I. *Mildred Pierce* (1945); Joan Crawford, Jack Carson; Warner Brothers

J. *Casablanca* (1942); Ingrid Bergman, Humphrey Bogart, Paul Henreid; Warner Brothers.

K. *Cafe Metropole* (1937); Loretta Young, Tyrone Power, Helen Westley, Charles Winninger; 20th Century-Fox.

L. *Some Came Running* (1958); Dean Martin, Frank Sinatra; Metro-Goldwyn-Mayer.

Page 21

M. *Gone With the Wind* (1939); Vivian Leigh, Clark Gable; Metro-Goldwyn-Mayer.

N. *The Immigrant* (1917); Charlie Chaplin, Edna Purviance, Eric Campbell; Mutual.

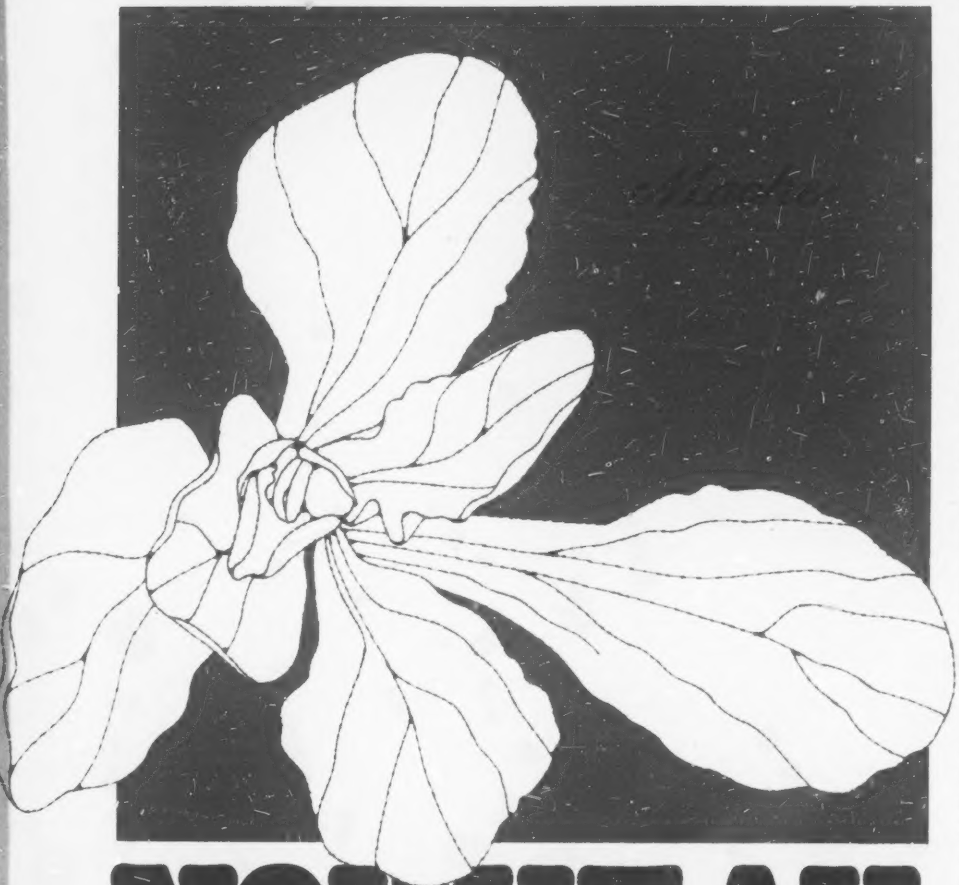
O. *Please Don't Eat the Daisies* (1960); Doris Day, David Niven; Metro-Goldwyn-Mayer.

P. *It Happened One Night* (1934); Claudette Colbert, Clark Gable; Columbia.

Q. *My Dear Secretary* (1948); Keenan Wynn, Laraine Day; United Artists.

R. *The Lady Vanishes* (1938); Margaret Lockwood, Michael Redgrave, Paul Lukas; Gainsborough Pictures.

VEGETABLES



NOUVEAU

by Walter Martin and Andy Udelson*

Exotic fruits and vegetables are jazzing up menus across the country, adding new colors, tastes and textures. This "dictionary" covers some of the most sought after items.

The market for fruits and vegetables in the competitive restaurant business has ballooned in the three and one-half years we have been in business.

The items we have selected here are ones we work with everyday although there are many more items to choose from.

Salad-type vegetables

- **Belgian endive \bel·jən en·dīv\:** a product originally from Europe. Developed in the 16th century, it is used in salads, appetizers and as a side vegetable—both cooked and uncooked. Available October to May.
- **Fiddlehead fern \fid·əl·hed fərn\:** a popular, seasonal vegetable (May, June) that hails from the great Northwest or from the Northeast, specifically Maine. Depending on the spring thaw, fiddlehead ferns sell for about $3.50 a pound.

The flavor of the fiddlehead fern is almost woodsy. It is crunchy, and is fantastic if you mix it with fettucini and perhaps some wild mushrooms. If the tails are long or thick, they should be cut off because they can be bitter.

- **Frisee \fri-sā\:** a French, white chicory with a green rim. The leaves in the center are short and white. Towards the outside, the leaves get longer and darker green. Frisee is a beautiful addition to salads because it gives them a texture and fiber as well as a touch of bitter flavor.

Although frisee is a French product, there is a domestic chicory which is similar and an Italian version called riccia. Riccia has a smaller head, and the leaves are thinner and more flame-shaped or pointed. It is also slightly less bitter.

- **Heart of palm \härt əf pälm\:** now available fresh. For years this vegetable was only available canned because of a very labor-intensive gathering process: Every tree will make about one pound of heart of palm.

Heart of palm can be braised, sauteed or boiled. Although it takes a long time to cook this vegetable, heart of palm does have a milky, flavor. Hearts of palm cost about $10 per pound, but a pound can yield many servings.

- **Mache \mäsh\:** also known as lamb's lettuce or corn salad, is a popular import from France or Belgium. Mache is usually a winter green, and at that time of the year it is quite affordable. Hothouses cultivate it year round, but it is usually a bit limp in the summer.

**Walter Martin and Andy Udelson are principals of Flying Foods International, a specialty fruit and vegetable supplier in Long Island, NY. This article is excerpted from a presentation at the 1985 NRA Show.*

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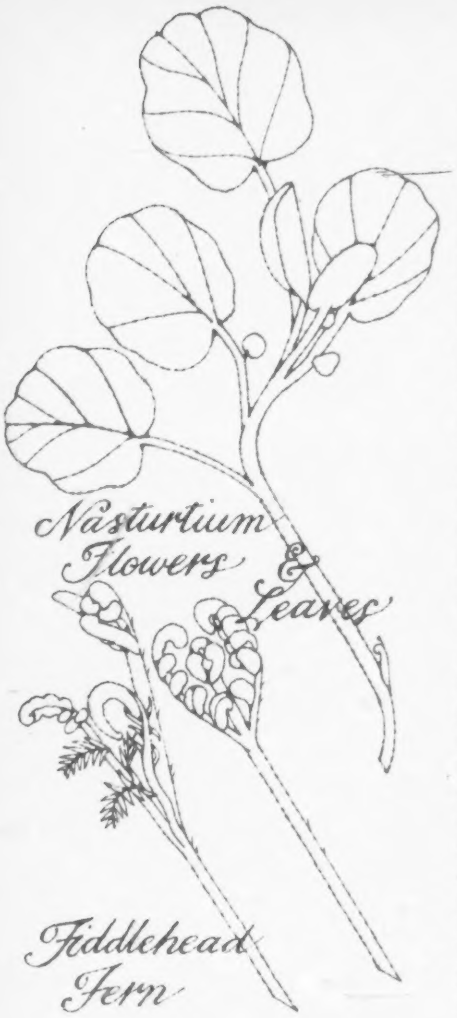


Mache has a buttery, subtle flavor, and it is very nice in a light, delicate salad with a very mild vinegar. It also goes very well with radicchio.

- **Nasturtium \nə·stər·shəm\:** probably the most popular edible flowers. Nasturtium are being harvested in California, and they are easily cultivated in greenhouses and hothouses.

Nasturtium are sold by the pound. They are quite perishable and last no more than four days.

- **Peppers \pep·ərs\:** multi-colored peppers are imported from Holland year round. Popular varieties are red, yellow (non-acidic), white (mild peppery taste) and purple, also known as chocolate or black peppers. Purple peppers are green peppers with a purple exterior. To preserve their color, use them raw.

Purple, white and red peppers are very similar in price—about $23 for an 11-pound case in the spring. The yellow peppers are usually the most expensive, and they can be as high as $60 for an 11-pound case in the dead of winter; normally they average $45.

- **Radicchio \rə-dik-ē-ō\:** also known as red chicory, is one of the hottest moving salad items today. Its slightly bitter taste makes it an interesting addition to a salad or an effective bed under an entree. Harsh salty air forces radicchio to turn in on itself, giving it its characteristic iceberg-type appearance. The Italian radicchio is usually very red and white. The American variety sometimes has a greenish color which is not as popular. The straight-up, triangular shape variety (trevisse or trevissano) is great quartered and grilled.

The cost of radicchio can fluctuate dramatically over the course of the year. When it is out of season (March, April), it commands a premium. The highest asking price has been about $36 for an 11-pound (five-kilo) case. The lowest price we remember is about half of that.

- **Ramps \ramps\:** also known as wild leeks, are members of the lily family and cousins to the scallion. They are most abundant in the Virginia area or on the central Atlantic portion of the United States, but they are found just about everywhere.

In cooking, ramps can be used interchangeably with scallions. The strong, garlicky/peppery flavor starts out with a sweet taste—a quality that makes them a great garnish in salads. They are also good in creamed soups. Because they are often available locally, they can be very affordable.

- **White asparagus \wit ə-spar·ə·gəs\:** used to be only available in cans on the American market. Now that the U.S. Customs Services has cleared white asparagus for import, the vegetable is available fresh—although usually as an import item because it is very labor-intensive to produce.

White asparagus grows either in huge fields or inside, covered with canvas. The reason it stays so white is that growers take the dirt and ridge it up over the plant as it grows so it never gets to see the sunlight and photosynthesize. This process assures a very sweet flavor and a tender consistency. White asparagus sells for about $6 per pound.

Miniature vegetables

Miniature vegetables are a growing trend in the food industry because they are a new way to serve old favorites. Baby vegetables are available year round, but they are considerably more expensive than their bigger relatives because they are very labor-intensive to produce. In general, baby vegetables are immature specimens of a regular vegetable. Farmers use special seeds to grow them.

- **baby artichoke \bā·bē är-də-chōk\:** has no choke so you can peel the outside leaves and eat the whole vegetable.

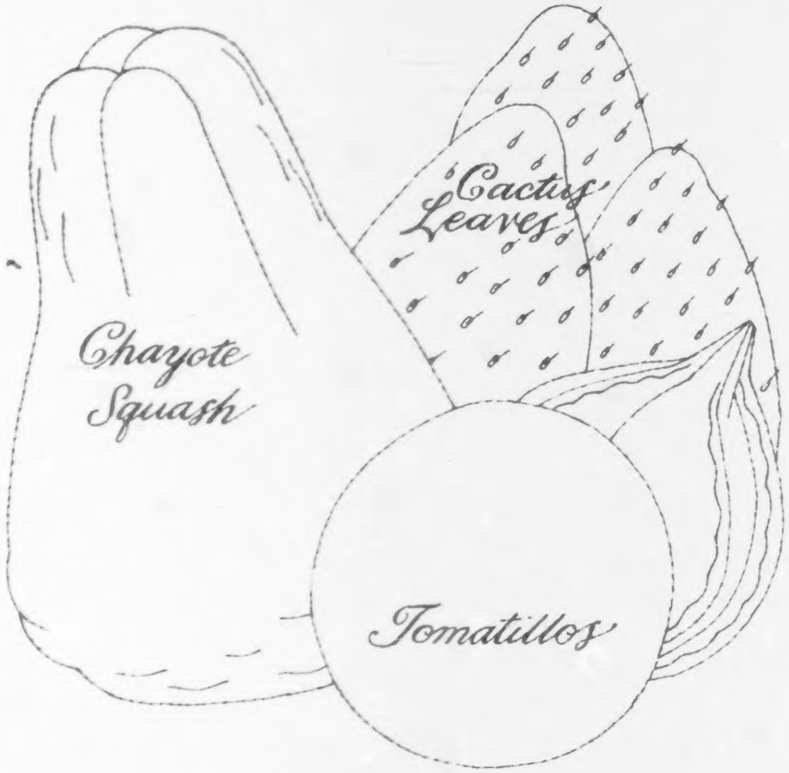
Baby Artichokes

- **baby beet \bā-bē bēt\:** is bright golden in color or red. The red beets have edible leaves.
- **baby carrot \bā-bē car-rot\:** is very sweet in flavor. Most people like to serve baby carrots with some of the greens; but if the greens are kept too long with the carrots, the carrots go limp.
- **baby eggplants \bā-bē eg-plant\:** is available in both round and elongated shapes.
- **baby scallopini \bā-bē skäl-ə-pē-nē\:** also known as a patty pan squash, it tastes exactly like its larger relatives.
- **baby turnip \bābē tər-nəp**
- **baby zucchini \bā-bē zu-kē-nē\:** often sold with their flowers.
- **Haricots vert \(h)ar-i-kō vert\:** are tiny string beans from France and were the first baby vegetables.

The allure of haricots vert is their attractiveness, super sweet flavor and tenderness. When we first brought them to the U.S., we sold them only to a few select French restaurants. As word spread, others bought them. Now we import close to five tons, which we send all over the country.

- **miniature pearl onion \min-ē-ə-chu̇(ə)r pər(ə)l an·yən\:** is available in red and gold as well as the more traditional white color.

Mexican, Asian vegetables



- **Bok Choy \ bäk chöi\:** also known as Chinese chard, is a vegetable that has probably been enjoyed by everybody who has eaten Chinese food. It has broad white or greenish-white stalks and dark green leaves. Bok choy is very similar in flavor to domestic cabbage, but its texture is crisper and its flavor is lighter and more delicate. To preserve both its taste and texture, cook bok choy quickly. Bok choy is delicious stir-fried or sauteed.
- **Chayote squash \chä·yō·dē skwäsh\:** also known as a vegetable pear, originated in Mexico but is now readily available in supermarkets. It may be used in all recipes calling for either tender summer squash or winter squash. When split and hollowed out, this squash can be packed with savory meat, sausages, seafood or salads. Chayote makes a crunchy marinated salad ingredient and is good french fried.
- **Chinese long bean \chi-nēz lȯng bēn\:** is a spicy string bean that can grow up to a yard long. When we find them in the market, they are roughly 12 inches long, and they sell for about $1.25 per pound. Originally from the Orient, they are now grown in California.
- **Nopal \nō·päl\:** , also known as cactus leaf, is finding its way out of the Spanish markets and into the general sections of supermarkets. Chiefly available in April and May, its flavor is distinctive, rather like vinegary dill pepper.

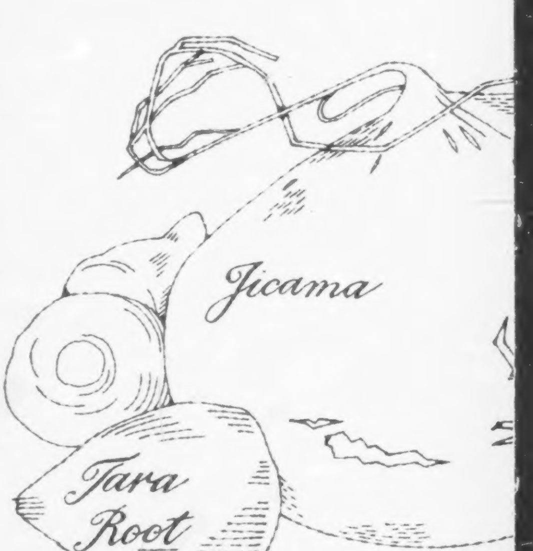
  In Mexico, the nopale leaf spines are picked off and then the leaves are boiled to rid them of sticky resin. The resin floats to the top. At that point the nopale leaves are washed and cooked. You can cook them with eggs—a traditional Mexican recipe—or else serve them as a julienned vegetable or combined with fresh tomatoes, onions and peppers.
- **Tomatillo \tōm·ə·tē(y)ō\:** is another specialty item originating "south of the border." It is sometimes known as a Mexican sauce tomato. Although tomatillos look like little green tomatoes in a papery husk, they have a flavor and texture uniquely their own. Raw tomatillos may be sliced or chopped in salads or tucked into tacos. When cooked, tomatillos make excellent sauces to serve with a variety of foods, such as warm tortillas, tacos, burritos, enchiladas or huevos rancheros.

Root vegetables

- **Celeriac \sė-ler-ē-ak\:** also known as celery root or celery knob, is not the knob or root of the celery that you would buy in the market. It is a separate kind of celery that gained popularity in France. The leaves of this root are not really edible—they don't taste very good—but the meat in the root is sweet and has a celery-like flavor.

  Celeriac is skinned and diced. It can be poached, steamed or sauteed, and it makes an excellent puree for soups. Available in the fall and winter.
- **Jicama \hē-ke·mə\:** is actually the root of a variety of Mexican morning-glory vine with a flavor reminiscent of a sweet potato. It is very starchy. Jicama can be cooked like a potato or served raw with a spritz of lime. Its mildly sweet flavor is very refreshing in a salad. Jicama also can be used as a substitute for water chestnuts in any braised or sauteed dish.
- **Salsify \sal·sə·fē\:,** also known as oyster root, has a very, very subtle flavor that some people say tastes like oysters—hence the name.

  Like other root vegetables, salsify is skinned. A cream sauce is a great accompaniment to this vegetable, which can be sauteed and served as a separate vegetable.
- **Sunchoke \sən·chok\:** also known as a Jerusalem artichoke, is neither from Jerusalem nor is it an

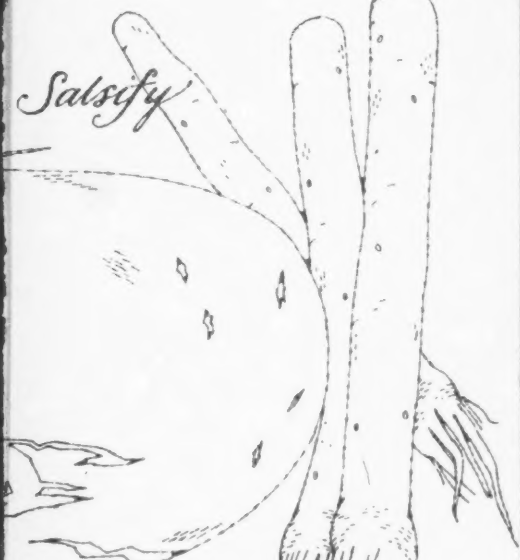


artichoke. It is the root of a certain variety of sunflower. The best way to serve this vegetable is to peel it, steam it and serve it as a side dish. Sunchokes are very good with just plain butter. And they can be eaten raw as an appetizer or in salads, where they exhibit a sweet, nutlike taste.

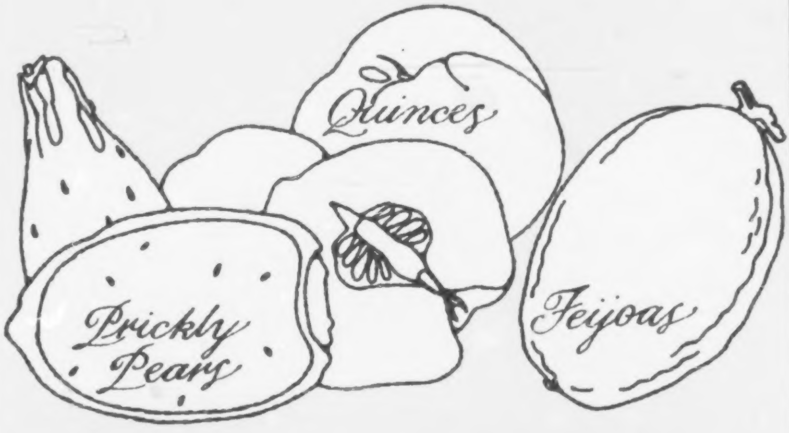
• **Taro root \tä·rō rüt\:** has just found its way onto the mainland American market, although it has been a staple in Hawaii for some time. The traditional Polynesian recipe for taro (poi) was to skin it, mash it into a paste and let it ferment; but taro root can be baked, steamed, boiled or used in soup like potatoes.

Taro can also be thinly sliced and sauteed or eaten raw in salads. The taro skin is edible after it is washed.

• **Water chestnut \wät·ər ches·nət\:** is crunchy, well-textured and sweet, when fresh. Not really a type of nut, water chestnuts are edible tubers. Fresh water chestnuts should be peeled, thinly sliced or quartered and then cooked briefly in boiling salted water. After cooking, drain them and plunge them into cold water. At this point they make a nice contrasting flavor and texture in sauces, stews and salads.



Fruit nouveau



• **Bitter melon \bid·ə(r) mel·ən\:** of Asian origin, resembles a wrinkled cucumber. It has a very unusual menthol-type flavor derived from the quinine in the fruit. It should be cooked before eating, and is scrumptious stir-fried, steamed, added to salads or simmered in soup. Available from April to September.

• **Kumquat \kəm·kwät\:** a native fruit of China (a symbol of luck for the Chinese New Year), has recently been grown in southern California, Texas and Florida. Kumquats have a sweet rind that's contrasted by a somewhat bitter pulp. Unlike other citrus fruits, kumquat skins can be eaten; only the seeds are inedible. They make excellent preserves and can liven up vegetable dishes and baked goods. Kumquats offer an intriguing substitute for oranges in duck dishes. Slices are also elegant in hot tea.

• **Long-stemmed strawberry \lo·ng stemd stro·-be·rē\:** is a giant variety of strawberry that was originally developed for the Japanese market. Although larger than average, long-stemmed strawberries are not necessarily better in taste than their smaller, wilder counterparts. Their main attraction is their size. It makes them great for dipping in chocolate because the stem serves as a handle.

• **New Zealand feijoa \n(y)ü zē·land fā·yōə\:** similar to the guava in taste, is often used to make sorbets. Its greatest appeal is that it is unusual. The season for feijoas is short—just the month of February, although with proper storage, they will last another two weeks.

• **Prickly pear \prik·lē pa(ə)r\:** also known as cactus pears, comes in yellow and green varieties, but both turn red when they are ripened. To prepare the prickly pear, discard the skin and mix the seeds and the fruit together. This can make a salad, jams, jellies or a fantastic sorbet. Abundant from September through December.

• **Quince \kwin(t)s\:** originally from the Middle East, commonly used in the cuisine typical of that part of the world. Looking somewhat like a misshapen apple, this fruit needs to be cooked. Quinces have a slightly bitter taste, but a bit of sugar tempers the flavor. They can be processed into jellies and jams. When ripe, they have a yellowish color.

• **Tamarind \tam·ə·rənd\:** looks almost like a large, hard bean with a brown velvet coating. The pulp of this fruit is orange and sticky and used for curries, tea or as a filling for tarts or other types of sweet/sour desserts. Although originally from Asia and South America, the tamarind is beginning to become a part of the TexMex cuisine.

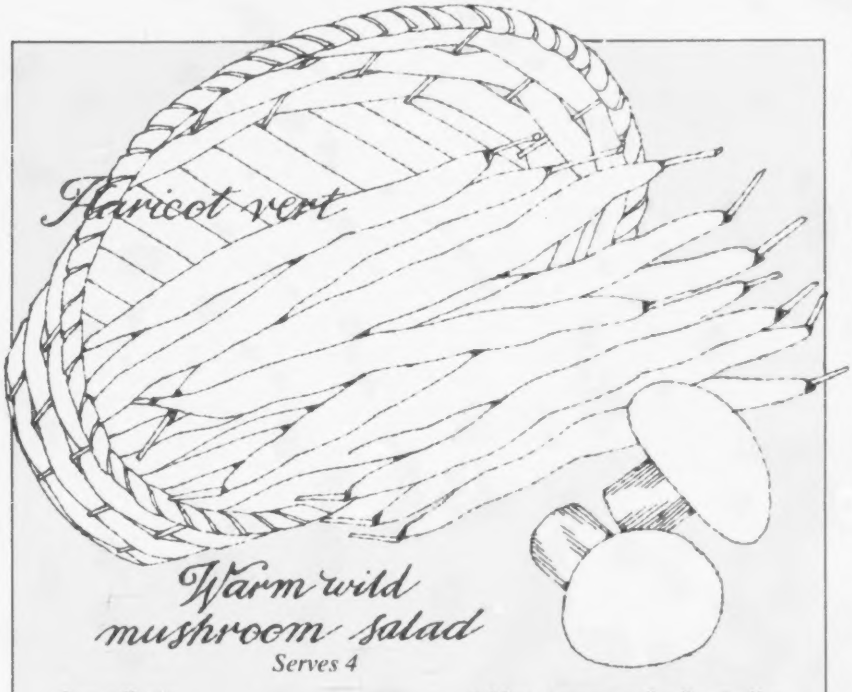
• **Vine-ripened beefsteak tomato \bēf·stāk tə·māt·ō\:** available year round from hothouses in Holland and in the winter from Israel.

Mushrooms

Mushrooms, especially wild mushrooms, have become quite popular in the last two years. Many of these can now be found in the United States.

- **Chanterelle \shant·ə·rel\:** is one of the most popular mushrooms because of its bright golden color and shape. Chanterelles have a peppery, mild flavor and a dry texture. Found in the Pacific Northwest, the season for chanterelles is late spring to early fall. The longest we have had them has been right up into December depending on how mild it stays in California.

  The market price for chanterelles is usually quite affordable, somewhere in the neighborhood of $4 a pound, which is good for mushrooms because you have a 100 percent yield. Brush or wash these mushrooms before serving because sometimes they will contain pine needles.
- **Coral \kör-əl\:** also known as a gold spear mushroom because of its shape, is another spring item growing in the Pacific Northwest. Coral mushrooms have a very subtle flavor, but tend to break apart if you put them in sauces. They do best when added at the end of the preparation. The flavor is wild and a touch sweet. Because they grow wild, the supply is limited.
- **Enoki \e-nȯ-kē\:** is a creamy white mushroom with a long slender stem and a sweet and delicate flavor that is delicious in salads. Originally from Japan, they are also well-suited as a garnish for soups or as a last minute addition to stir-fry dishes.
- **Morel \mȯ-rel\:** comes in two edible types: the light or the white morel and the dark, or black, morel. The black morel is the



Warm wild mushroom salad

Serves 4

Ingredients

- ½ pound fresh chanterelle mushrooms (trim woody ends and stems)
- 1 pound fresh shiitake mushrooms (trim stems, wipe clean)
- 24 pieces haricots vert (trimmed and blanched)
- 2 whole tomatoes (blanched, skinned and seeded)
- Mixed greens: romaine, red leaf lettuce, curly green leaf, argula, watercress (or any variety of seasonal greens).

Dressing

Basic vinaigrette (1 part vinegar to 3 parts oil), using either hazelnut or walnut oil and desired seasonings.

Preparation

- Clean and brush shiitakes, then julienne in thin slices. Cut chanterelles into three pieces.
- Heat 1 ounce of refined olive oil and saute shiitakes for 2 minutes. Add chanterelles. Cook together 5 minutes. Season with salt and pepper, adding ½ teaspoon of sherry vinegar. Remove from heat and strain mushrooms.
- Arrange haricots vert freely on bed of mixed greens.
- Divide mushrooms equally around edge of salad plates.
- Garnish with semi-fine chopped tomatoes in center.
- Dress with vinaigrette.
- Add quick grind of fresh black peppercorns.

—Audrey Pickard, executive chef
Kathleen Mulhern, owner
The Garden Restaurant and
Harris Bar and Grill
Philadelphia, PA

Mushrooms
Plurads

choicer variety. Originally an import product, now they have been found in great abundance in Michigan and parts of the Midwest. Morels are available fresh in the spring and dried.

One word of caution. Because morels grow wild, be sure to cut them down the center to check for bugs or insects. Also be advised that some people may find morels slightly toxic.

- **Oyster \ȯi-stər\:** also known as a pleurotte, is nearly eight inches in diameter. Most oyster mushrooms come from Italy, but they are also produced in France and in California.

The American oyster mushrooms are usually a smaller and less knobby variety, and they don't have much of a stem. They are fantastic grilled and also are excellent with pasta because they absorb the flavor of the sauce, and they are nice in soups, too. This is probably one of the most popular mushrooms now.

There is one type of more delicate pleurotte called the "white trumpet" that is being developed in Boise, Idaho. However, the supply is limited.

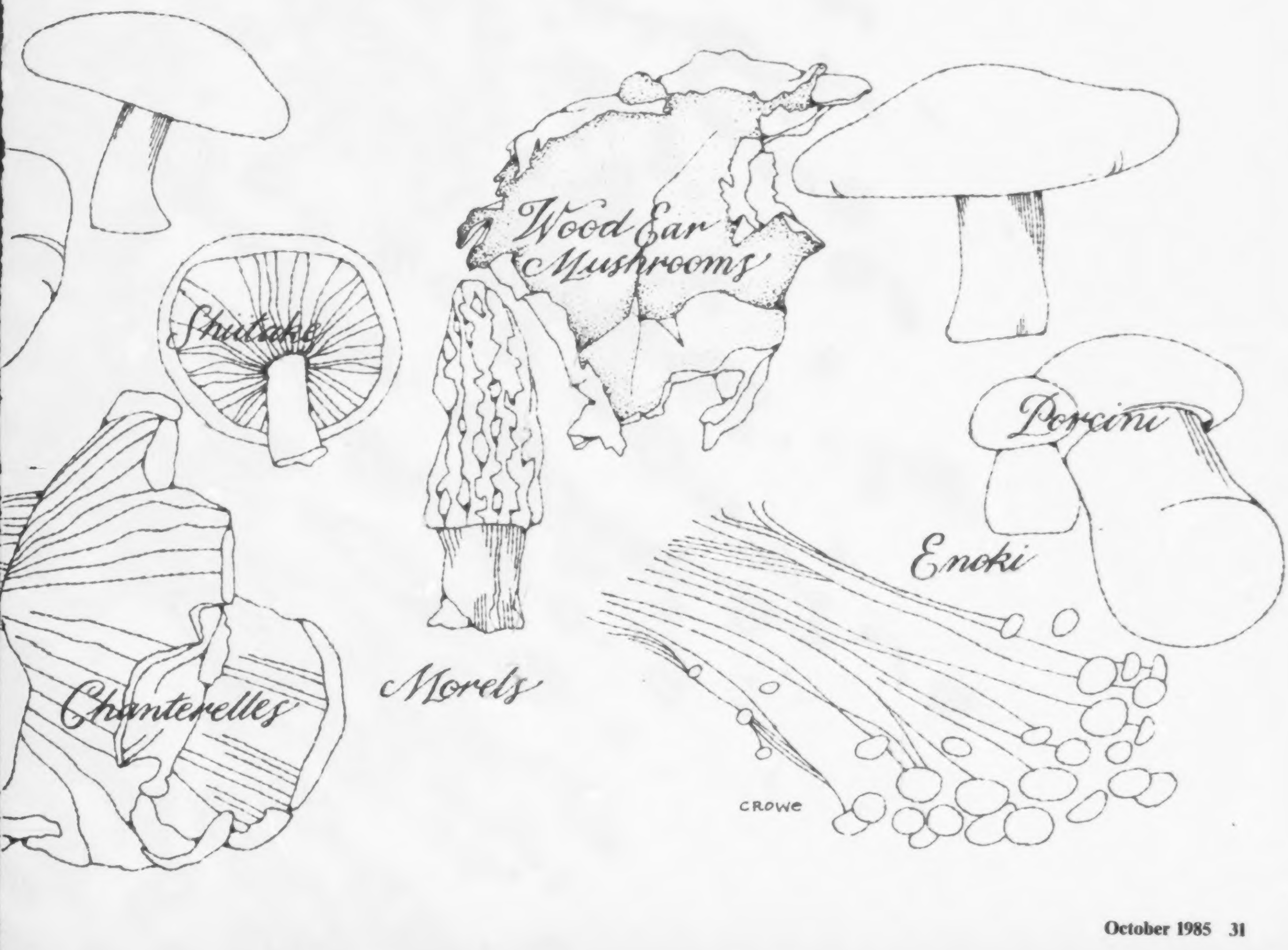
- **Porcini \pu̇(ə)r-chē-ni\:** is associated with Italy, but found all over the world. Unlike chanterelles, which are abundant when they are wild, these are very hard to find when they are in season. They cost $17 or more per pound fresh. The stems are also edible, but peel the outside of the stem to check for any bugs.

Porcinis are delicious sliced very thick, drizzled with a good quality olive oil, studded with garlic, a little parsley or basil and then grilled. They're also available frozen or dried.

- **Roman \rō·mən\:** also known as crimini, grow up to eight inches across. Roman mushrooms are great sliced and used in sauces, and they make really stupendous presentations because of their size.
- **Shitake \shi-tä-kë\:** is one of the few wild mushrooms that has found a general following. Originally a Japanese mushroom, shitake mushrooms found their way into the market about three years ago. Now they are often available in supermarkets.

These mushrooms are fabulous in sauces. They have a wild, musky flavor and a garlicky aftertaste. Their flavor permeates the foods you cook them with.

- **Wood ear \wu̇d i(ə)r\:** is also of Asian origin. This is mostly a textured mushroom; it doesn't have that strong a flavor. Wood ear mushrooms are rubbery or spongy on one side. They used to be only available in their dry form, but now they are produced in California and are available fresh. ❑



MAKING RESTAURANTS ACCESSIBLE

by Peter McCall

Despite greater awareness of accessibility, many restaurants still don't know how to deal with America's mobility-disabled persons. Add to that the millions of people with temporary handicaps—broken bones, arthritis attacks and even children in strollers—and the provision of a barrier-free environment becomes something that can benefit almost everyone.

Last year, a demonstration by disabled activists in front of a Denver (CO) McDonald's, which had no curb ramps for wheelchairs, prompted the nationwide chain to move more quickly in making all its facilities accessible. Now McDonald's is installing barrier-free features—curb ramps, wider entrance doors, 42-inch aisles inside, special 29-inch-high tables (with no fixed seats) for wheelchair users, special stalls in rest rooms and two parking spaces for the handicapped—at all of its new stores. Says Larry Price, McDonald's director of construction, "We've become more aware of the needs of handicapped persons, who appreciate what we're trying to do for them."

"While many restaurants and architects have not thought much about accessibility in years past, public pressure from disabled persons is beginning to change people's attitudes," observes Ronald Mace, a Raleigh, NC, architect and wheelchair user who for 14 years has dedicated his practice to making all facilities accessible to all people.

"By making facilities accessible to persons with physical disabilities—and maintaining those facilities—restaurateurs can attract a sizeable market and, hence, increase their profits," adds architect John P.S. Salmen, former technical director of the National Center for a Barrier-Free Environment, now part of Paralyzed Veterans of America in Washington, DC, and currently director of the American Hotel and Motel Association's Technical Services Center, New York City.

How to proceed . . .

It is neither hard nor expensive to make a restaurant accessible. First, it is important to ensure that disabled persons can get inside your facility; many won't return if obstacles, such as too many steps, keep them out. Some mobility-restricted people complain that they have had to enter restaurants through the garage, kitchen or some other "round-about way." Dr. Harlan Hahn, a wheelchair user who teaches at the University of Southern California, says a common problem is that disabled persons often have to enter a dining area via the same freight elevator used to haul garbage. "That's not a very appetizing approach for people who come to eat in a restaurant. Also, it imposes a stigma—that we have to use the back entrance," he adds.

The first step in making a facility accessible is the approach from the outside or the "site access."

Passenger drop-off. There should be a safe, level transition between a vehicle and the pathway or sidewalk leading to the restaurant. Level access is necessary for wheelchair users as well as helpful for persons with crutches, canes, walkers, strollers or carts. It is important to let people with visual impairments know where the street ends and the "safe" area begins. Also, Salmen suggests that the street and sidewalk should have "noticeably different textures and a strong contrast in color intensity."

"Accommodating the handicapped shouldn't be seen as a constraint but as an opportunity."

Parking. Most states require that two to five percent of their public on-site parking spaces be accessible to people with disabilities. At restaurants that provide parking, this means that special spaces should be approximately 13 feet wide, located near the entrance and on ground level and be designated by special signs. For safety reasons, it is important that wheelchair users not be required to wheel themselves behind other parked vehicles to reach the sidewalk or entrance.

Curb ramps. To accommodate wheelchair users, curb ramps should be provided wherever there is a change in level of pedestrian walking surface. This includes places where sidewalks cross streets, alleys or drives. The top and bottom edges of the ramp should blend smoothly with the landing, without any lip or bump.

Entrance ramps. Many new facilities provide permanent ramps designed to meet specifications of the American National Standards Institute (ANSI) 1980 standards, now adopted in almost half of the 50 states. Lightweight aluminum and/or plastic portable ramps can be used for restaurants in existing buildings. Mace suggests that unsightly exterior ramps can be eliminated by installing an earth-berm ground-level entry to the building's entrance. "A nice landscaped earth-berm ramp can make your restaurant more attractive," he adds.

Entry doors. Once they have reached the restaurant's entrance, disabled persons should be able to get through the front door and move to the seating area. (Mace suggests that information at the entry—through signs or staff—should direct people where they should go.) Entry doors should be wide enough for wheelchair access—with a minimum clear width of 32 inches. In addition, the doors should be easy to open. If the restaurant entry features a vestibule, there should be adequate distance between the doors (usually seven feet) so that a wheelchair can maneuver free of door swing.

Door hardware should be easy to operate by people with limited twisting or gripping strength in their hands. Salmen recommends this rule of thumb for selecting door hardware: "If the hardware can be operated by a closed fist, it can be operated by almost anyone." Doorknobs pose a problem for many disabled persons. "That round knob is hard to turn," observes Mace, "especially for elderly persons with arthritis, children and people with greasy hands." He suggests level door handles are handier because everyone can use them.

Revolving doors and turnstiles are unuseable for many people, says Salmen. Air doors or automatic doors are a good solution in high-traffic areas, allowing access by all.

Interior circulation. A restaurant should have at least one wide aisle (five feet wide), extending from the entrance through the dining area. Secondary aisles should be at least three feet wide, allowing adequate minimum clearance for wheelchairs. Tables should be spaced wide enough apart to provide wheelchair access to the rest rooms, which should be on the same level as the dining area, says Mace.

Where a restaurant has different levels, some means of accessible level change should be provided—through ramps, lifts, elevators, etc.—so that the wheelchair user can use an upstairs or downstairs rest room or bar. Multilevel restaurants are a bane to

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Peter McCall is the news desk manager at the American Institute of Architects in Washington, DC.

wheelchair users, especially if the bar and rest room are on different floors. Interior ramps and steps should have handrails on both sides because some disabled persons may have strength only on one side of their body.

Rest rooms. Access to lavatories should be unrestricted, the rest room location is critical for disabled customers. "Sometimes, to reach a rest room, it's necessary to go outside the restaurant and into an adjacent building with elevators," notes Ruth Hall-Phillips, an architect and associate advocacy director of Paralyzed Veterans of America.

Toilet seat height is another critical issue. Standard toilet fixtures are often too low to be used comfortably by wheelchair users. ANSI standards specify a range of 17 to 19 inches to make a seat accessible. Wall-hung water closets, of course, can be mounted within this range. However, floor-mounted fixtures may not provide seats in this range. Elongated, rim-type, wall-hung urinals and stall types are usable by almost everyone, including small children. Grab bars should be placed on both sides of toilet stalls, and flush controls should be placed within range and floor space specifications. Roll toilet paper dispensers that turn freely are preferred. The use of full-length mirrors eliminates the need for special mounting heights. "Z-fold" paper towels are easier for people with hand disfunctions than the "C-fold" type, and some disabled persons have trouble using blow dryers.

The increased length of specially designed "handicapped" or "wheelchair" basins has become a source of problems. Because they are so deep, many disabled persons have problems reaching the faucet controls. That's why knee clearance beneath the basins is so important for wheelchair users.

Drinking fountains and accessories. Major manufacturers have developed water cooler models which, when properly installed, will meet access requirements specified by ANSI standards. But some disabled people have conflicting needs in this area. For example, a projecting, wall-hung drinking fountain might serve wheelchair users but prove to be a hazard to blind people; a change in floor hardness might inform a blind person but hamper someone with mobility problems. The solution to such problems depends not on just the proper selection but careful consideration of how that product will be used in the restaurant.

Architect Robert Lynch of Scottsdale, AZ, a barrier-free leader who has designed many restaurants, suggests that restaurateurs invite a disabled person to check out their facilities to see what's needed to provide accessibility. He consistently urges building owners and restaurateurs planning renovations to follow barrier-free guidelines.

Furnishings. The type of tables and chairs used to furnish a restaurant is a key factor in making disabled persons comfortable and able to maneuver. "For example, those little armless ice-cream parlor chairs are extremely difficult for elderly persons to get out of," says Hall-Phillips. Chairs should have sturdy arms, and tables should be high enough for wheelchair users. The new ANSI standards do not address furnishings, so restaurateurs need to monitor products carefully.

Food lines. Few people on crutches can go through food lines. Wheelchair users also have a hard time seeing or reaching for their food. "Some cafeterias place their desserts so high that you can't see whether you're reaching for a cake or a pie," says Hall-Phillips.

The costs involved . . .

Accessibility costs. Depending on what is entailed, making a facility accessible can range from almost no extra cost to "virtually prohibitive costs," according to Robert Scharf Associates, a professional construction consulting firm in Bethesda, MD. In new construction, the cost is usually very low because accessibility can be designed into the job, and the building can be constructed without major deviations from the original designs. For most new projects, additional costs for graphics, accessible toilet facilities, elevators and ramps should not exceed one-half of one percent to five percent of total construction costs. In retrofitting existing buildings, the cost will depend on how easily the facility can be made accessible.

Says Lynch, "It costs little to make a new building accessible the first time. The challenge lies with existing buildings that don't comply with barrier-free codes." For example, a downtown restaurant in an older building that can be reached only via narrow steps will cost more to make accessible than a single-level restaurant facility in, say, a suburban shopping center.

"The costs vary widely in existing buildings; but if you're innovative, accommodating the handicapped need cost no more (than in a new building)," says Mace.

Design challenges for accessibility in both old and new restaurants can be met through the increasing number of products now available. Some industries are more responsive than others; the manufacturers of hardware and toilet accessories, for instance, offer a wider range of accessible products than, say, the manufacturers of railings, according to *Progressive Architecture* (July 1985).

Manufacturers are beginning to realize that an accessible environment is easier on the able-bodied as well as people with disabilities. Many familiar products now comply with handicapped codes: automatic doors; lever handles; flush thresholds; telephone volume controls; glue-down, low-pile carpeting; talking exit signs; rubber flooring; and grab bars—to name a few.

"Some restaurateurs go out of their way to get us in; they put up portable ramps and pull chairs around," says Hall-Phillips. On the other hand, she notes, many make people on crutches stand in line and wait too long for tables. "We're either pampered or ignored."

Hope for improving accessibility for disabled persons lies in the ANSI concepts to facilitate the designs and specifications of accessible buildings. Unfortunately, too many restaurants comply only with minimum requirements for accessibility, which vary from state to state.

In sum . . .

Making your restaurant barrier-free can help almost all of your customers. "Accommodating the handicapped shouldn't be seen as a constraint but as an opportunity," says Hall-Phillips. It offers a challenge for architects to be creative and an opportunity for restaurants to attract more customers. "The issue should not be whether to make your facility accessible but how to create a barrier-free environment at the most reasonable cost." ☐

Fisher's Law #66

The management failure

One of the most frustrating, discouraging and costly events that occurs in organizational life is the failure of a person in a responsible business position to succeed as a manager. There are many reasons why a manager fails to "cut it," but it has been my experience that there are seven generic reasons that lead to inadequate management performance. In many cases, more than one of these elements is evident, and in other cases, the severity of one element is so pronounced that it is impossible for the manager to dig out of the hole which he/she has created.

1. Inadequate human relations skills. Since management, by definition, is getting things done with and through others, the inability to relate with subordinates, peers and/or organizational superiors individually or as a group erodes the human bonds that must be established for people to work together willingly over a period of time. If a manager is non-communicative; excessively authoritarian when circumstances do not call for it; acidic, venomous, patronizing and insensitive in relationships with others, or engages in a variety of other kinds of activities that "turn people off," then that person will not succeed as a manager.

2. Inability or unwillingness to delegate authority. Some unsuccessful managers fail because they sink from the weight of the workload they bring upon themselves. They attempt to do too much rather than delegating authority to someone else. These managers try to absorb detail work rather than assign and oversee it. Thus they become mired in a morass of lower level activities at the sacrifice of the larger managerial overview.

The person who doesn't delegate really doesn't trust other people. I don't mean that the distrust is based on suspicions of dishonesty. Rather, the distrust is based on a lack of confidence that others can do things as well or as fast as the manager can do them. Many managers fall into the trap that "I'd better do it myself because I can do it better and faster than anyone else; and if I do it myself, I know it's done right, and it will save time." That is the "doing" trap that causes many managers to fail. Because they cannot do it all, these managers hurt themselves in the long run, and they do not develop subordinates.

3. Individual shortcomings. When some people ascend to a managerial position, certain character flaws can appear. Most of us have been disappointed in the past when it was determined that a manager had been financially dishonest, distorted the truth, evidenced immature and/or inappropriate behavior, used foul language habitually, was undisciplined with respect to time and attendance or exhibited some other form of misbehavior or irresponsibility. When a manager loses credibility and respect, it is all over.

4. Lack of acceptance or understanding of the views of senior management. To a first level or mid-level manager, some of the decisions made by top management sometimes don't seem to make sense. Consequently, there can be non-objective, prolonged and unprofessional resistance to decisions, programs and positions adopted by top management. It is one thing to disagree professionally within the appropriate confines of the company. It is quite another matter to publicly and constantly disagree, thereby embarrassing everyone.

Top management may be wrong, but they are still at the top. A manager who finds himself/herself at odds in this way will not succeed and grow. There is a golden rule of business: The one who has the gold, rules! (Let me hasten to add that business history shows an abundance of cases where top management was out of touch with the "real world" as known by the mid-level and first-level managers. I am not saying that top management is *always* "right" but most certainly it is *not always* "wrong." What I am addressing in this article is individual management techniques.)

5. Unwillingness to spend time and effort to improve. All people have their own set of strengths and weaknesses. People in management positions are no different. One of the elements that distinguishes successful managers and those on the road to failure is the devotion of time and the sincerity of effort given to enhancing strengths and shoring up weaknesses. Managers who attend but do not hear what is being said in performance evaluations, company meetings, seminars they may attend, etc., are putting in the time (not devoting time) and give only lip service to self-help efforts. Such managers are wedded to stagnation and will "grow old" in the management sense before their time. Self-improvement is just that, self or individual responsibility.

6. Lack of planning and organizational skills. Some people are good planners. Others are good organizers. Some are both. Some are neither. Some people have an innate knack for these skills, others do not. The good news is that these management skills can be learned, and natural talents can be honed. However, adequate planning and organizing functions are fundamental to basic managerial responsibilities. Unless one is reasonably adept at them, one will not be successful as a manager.

7. Inability to adjust to new or changed conditions. The world is dynamic, not static, and change is constant. New opportunities, challenges, markets, products, services, reporting assignments, customer bases, etc., can and do occur with some frequency. The successful manager adapts to changes, seeks to conquer the challenges, and masters situations, staying on top or ahead of them. The unsuccessful manager shrinks from change, resists it and tries to keep or return to previous conditions. Consequently, he/she gets "run over," by-passed or relieved.

There are two points that need to be made with respect to the foregoing, which comprise Fisher's 66th Law.

A. A good professional (personal and/or functional expertise) may not necessarily be a good manager (people, organization and planning expertise)!

B. With respect to your individual management capability, if what ails you fails you, correct it!

Yuppies

They eat out often and have money to spend

This article spotlights a recent analysis of CREST data on restaurant usage. Included are data on Yuppie demographics, their effect on the industry, the meal occasions they prefer and the restaurant segments they like best. The information used in this report is based on 1984 household data.

Young Urban Professionals, commonly referred to as Yuppies, are taking the restaurant industry by storm. This small yet significant segment of the baby boom generation, loves to eat away from home. In fact, it is estimated that $1.00 out of every $12.00 spent at restaurants is generated by this segment, which accounts for only five percent of the population. Convenience and the sheer enjoyment of dining out are of primary importance to this group, while the amount they spend is a relatively minor concern. Additionally, although hamburgers and french fries continue to remain popular with Yuppies, this group also enjoys fine dining, including ethnic foods and American regional cuisines.

Who are Yuppies? . . .

Young Urban Professionals are a small affluent group of baby boomers (those Americans born between 1946 and 1964). Typically, a Yuppie is defined as someone between 25 and 39 years old, who lives in a city, earns $40,000 or more a year and holds a managerial or professional position. However, because only a slight 1.2 million consumers fit into this category, CREST has developed a broader definition. According to CREST, Yuppies

- are household heads between 25 and 39 years of age
- live in households of one to three people
- have total household incomes of $25,000 or more
- reside in Standard Metropolitan Statistical Areas (SMSA's)
- hold professional or managerial positions and
- possess at least a college degree.

This expanded definition encompasses a more substantial four million households and accounts for five percent of the population.

Yuppie households love to dine out . . .

Although they only represent five percent of the population, Young Urban Professionals account for more than six percent of restaurant traffic and eight percent of sales. In fact, CREST purchase behavior data reveal that in an average two-week period Yuppie household restaurant expenditures equal $74.21, 45 percent above the amount for all households—$51.20. In addition, in 1984 a substantial 92 percent of all Yuppie households reported dining out at least once in a two-week period, and they averaged nearly 12 restaurant visits during this time. In comparison, a somewhat smaller 79 percent of all households reported eating away from home during a two-week period in 1984, averaging only 8.6 restaurant visits.

Individuals from Yuppie households are willing to spend more for their restaurant meals, and this, too, is good news for the restaurant industry. The average per person check for a Yuppie household is $4.12 versus a lower $3.34 for other households. One reason for the higher check is that Yuppies are less inclined to take advantage of promotions. They used promotions on only 8.1 percent of their restaurant visits in 1984, while the average household used a deal on nearly 11 percent of restaurant occasions. Additionally, Yuppies recorded a slightly smaller median order size than the average household—2.5 items compared to 2.6. This, together with their above average check amount, suggests they tend to order more expensive items and/or patronize more expensive restaurants.

Lunch is top meal occasion . . .

The meal Yuppies are most likely to eat away from home is lunch. Nearly 40 percent of their restaurant visits are at lunch versus 37.3 percent for the average household. Furthermore, Yuppies account for a significant 6.7 percent of total lunch traffic. Not only is a restaurant mid-day meal convenient, it also provides this group of young professionals with a good opportunity to conduct business. More than 38 percent of Yuppie households report they are at work prior to eating out, while only 26.4 percent of households nationwide are at work prior to their restaurant visit. Additionally, more than half of all Yuppie restaurant visits occur during the week (Monday through Thursday).

Dining out for breakfast is also popular with Yuppies. Almost 13 percent of this group's restaurant visits are for the morning meal compared to a similar 12.4 percent for the average household. In addition, Yuppies represent an important 6.6 percent of total breakfast traffic.

On the other hand, a slightly smaller than average proportion of Yuppies choose to eat dinner in a restaurant. Only 37.2 percent of Yuppie restaurant visits are for dinner while 39.2 percent of the average household restaurant visits occur at the evening meal. In addition, Yuppies account for a smaller share of total dinner traffic (six percent) than they do for the other meal occasions.

When looking at average check size by meal occasion, Yuppies spend considerably more for their meals than the average household. For example, on average, Yuppies pay $6.00 per person for dinner, a third more than the $4.52 spent by the average household. Yuppies spend $3.59 for lunch, but this is still higher than the $3.07 spent by the average household. Breakfast for Young Urban Professionals averages $2.09 per person versus $1.99 for households nationally.

Yuppies favor upscale restaurants . . .

Yuppies enjoy patronizing upscale establishments. An above average proportion of Yuppie restaurant visits, 15.1 percent, take place at this type of restaurant. In comparison, a considerably smaller 9.1 per-

Average check size by meal occasion and restaurant type

	Quick service		Midscale		Upscale	
	Yuppies	**All households**	**Yuppies**	**All households**	**Yuppies**	**All households**
Breakfast	$1.43	$1.39	$2.73	$2.50	$5.01	$ 4.03
Lunch	2.76	2.42	4.17	3.62	6.53	6.31
Dinner	3.61	2.88	6.19	5.24	11.56	10.30
Total meals*	**$2.72**	**$2.33**	**$4.42**	**$3.91**	**$9.29**	**$ 8.43**

*Includes snacks

Source: *"Yuppies' Restaurant Usage Study"*, GDR/CREST Enterprises, 1985.

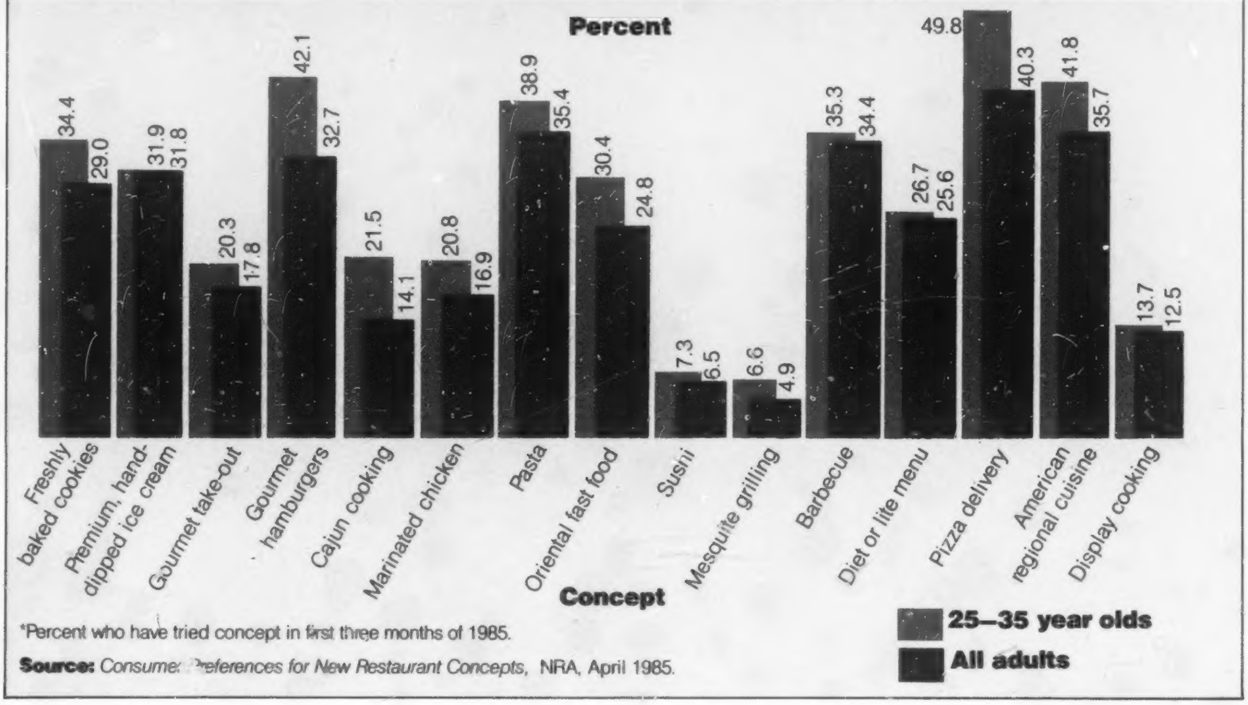
cent of the average household's restaurant visits occur at upscale establishments. Yuppies spend approximately $9.29 per person for their meals at upscale restaurants—11 percent more than the average household.

According to consumer research, Yuppies dine at upscale establishments because they desire unusual dining experiences and well-prepared meals. They look at dining out as a social occasion—a time to get dressed up and spend the evening on the town with friends. A sophisticated atmosphere is important on these occasions. Other important features, according to NRA's study *Consumer Restaurant Behavior: A View Based on Occasion Segmentation*, are a large, varied menu; tantalizing appetizers and desserts and an extensive selection of liquor, beer and wine.

On the other hand, because they lead a fast-paced lifestyle, Yuppies also appreciate the convenience of quick service establishments. Sixty-one percent of Yuppie restaurant visits occur at fast food restaurants, approximating the 62.1 percent national average. However, Young Urban Professionals spend 17 percent more at fast food establishments than does the average household, $2.72 per person versus $2.33 per person.

Midscale restaurants do not attract as many Yuppies. Only one-fourth of their restaurant visits take place at midscale restaurants, compared to a higher 28.8 percent for the average household. However, the

New restaurant concepts patronized:* 25 to 35 year olds versus all adults



*Percent who have tried concept in first three months of 1985.

Source: *Consumer Preferences for New Restaurant Concepts*, NRA, April 1985.

average per person check for a Yuppie at this type of establishment is $4.42, while the average household spends $3.91.

Hamburger and pizza places among Yuppie favorites . . .

They may have sophisticated tastes, but Yuppies rank hamburger and pizza establishments among their top restaurant choices. More than 18 percent of their restaurant visits occur at hamburger establishments, and 11 percent take place at pizza places. They also spend a large proportion of their money at these establishments—10.6 percent and 11.1 percent, respectively. Convenience is a major force in persuading Yuppies to patronize these types of establishments. Additionally, loyalty to the foods they grew up with is another reason why Yuppies continue to frequent hamburger and pizza restaurants.

However, Yuppies also like to eat at varied menu and specialty restaurants. This is not surprising since Yuppies tend to seek out exotic and upscale foods, no matter what the cost. For this group a diverse selection of menu items as well as a superbly prepared meal are essential for a complete dining experience. Almost 36 percent of their restaurant visits take place at varied menu and specialty establishments, and this accounts for nearly 50 percent of the dollars Yuppies spend on dining out.

In addition, NRA's study *Consumer Preferences for New Restaurant Concepts* reveals that adults 25 to 35 years old (the Yuppie generation), like to try new restaurant concepts more than does the average consumer. For example, four out of 10 individuals in this age group have recently patronized an establishment specializing in gourmet hamburgers versus approximately three in 10 for all adults surveyed. Almost five in 10 adults 25 to 35 years old have tried an establishment featuring pizza delivery compared with four out of 10 of all those surveyed. However, adventurous new concepts such as restaurants featuring gourmet take-out or sushi and sashimi also appeal to the 25 to 35 age group. One-fifth of the adults in this group dined at an establishment offering gourmet take-out versus a smaller 17.8 percent of all respondents, while 7.3 percent of this age group have tried a restaurant specializing in sushi or sashimi, compared to 6.3 percent of all adults. Other new dining concepts that have caught the attention of the 25 to 35 age group include American regional cuisine, premium, hand-dipped ice cream, Oriental fast food and diet or lite menus.

Yuppies are a good market to target . . .

Yuppies enjoy dining out. They do so frequently, and they do not worry about the cost of their meals. The restaurant operator who decides to go after this lucrative consumer group should keep in mind that Yuppies are attracted to establishments with a classy ambiance and a sophisticated menu. In contrast, because of their hectic schedules, Yuppies also appreciate restaurants that provide take-out and delivery service. In addition, restaurateurs marketing to this group should probably not worry about discounts, because Yuppies are not likely to use them. Instead, lunch or dinner specials or featured entertainment promise to be more successful draws for this group.

—Susan Adelman

Wholesale food prices down

*This article takes a look at the outlook for supplies and prices of specific commodities for the remainder of 1985 and previews what to expect in 1986.**

Wholesale food prices have restaurateurs smiling. During the first seven months of the year, the Producer Price Index for all food (PPI) declined 1.4 percent versus the same seven-month period in 1984. This compares with advances of 4.8 percent for all of 1984 and 1.1 percent in 1983. Furthermore, this marks the most dramatic decline in wholesale prices since 1976, when the index plunged 3.8 percent.

NRA's Food Cost Index, which measures food costs for restaurateurs, also dipped between January and July—down 2.3 percent. In comparison, prices climbed 5.0 percent in all of 1984 and 0.7 percent in 1983. Additionally, this represents the largest decline in restaurant food prices in nine years. The index fell 1.5 percent in 1976.

What's behind these considerably lower food prices? Throughout the first seven months of the year prices for beef, veal, eggs and poultry have been running below last year's levels, and this has kept the food cost indices down. Low feed costs, due to plentiful supplies of corn and other feed grains, have contributed to reduced production costs for beef and poultry producers, and these lower production costs have helped to pare down beef and poultry prices at the wholesale level. In addition, increased demand for poultry, reflecting the public concern with health and nutrition issues, has resulted in stepped-up broiler production and lower prices. Also, after last year's outbreak of the avian flu, egg production has rebounded, and prices have fallen to more moderate levels.

Beef output to dip . . .

Beef production should fall 2.7 percent between July and December, compared to the same period last year. In spite of record high dress weights and a backlog of cattle in the third quarter, production will only approximate 1984's strong third quarter production of 5.9 billion pounds.

Fourth quarter supplies should be considerably smaller—down 5.1 percent to 5.6 billion pounds from the 5.9 billion pounds recorded in the final quarter of 1984. The reasons are (1) delayed marketings and (2) fewer cattle were placed in feedlots during the second quarter (cattle placed in feedlots between April and June are ready for slaughter

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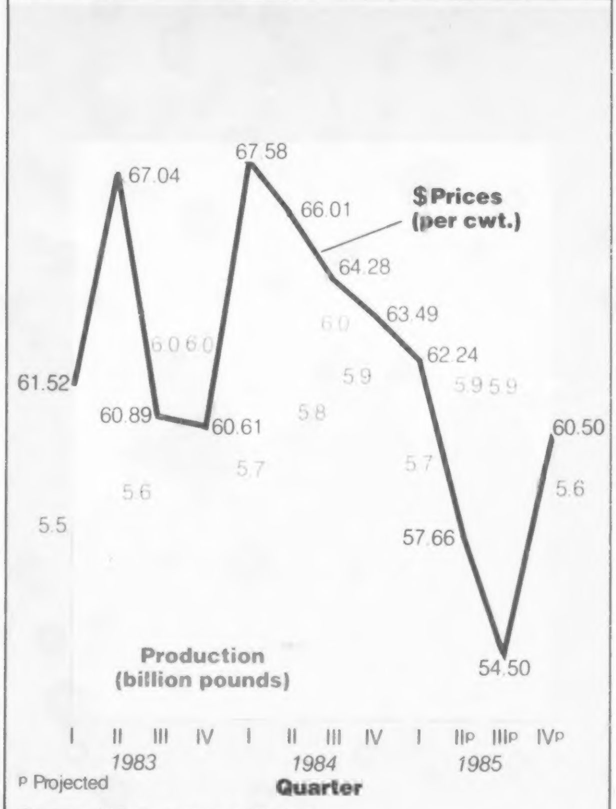
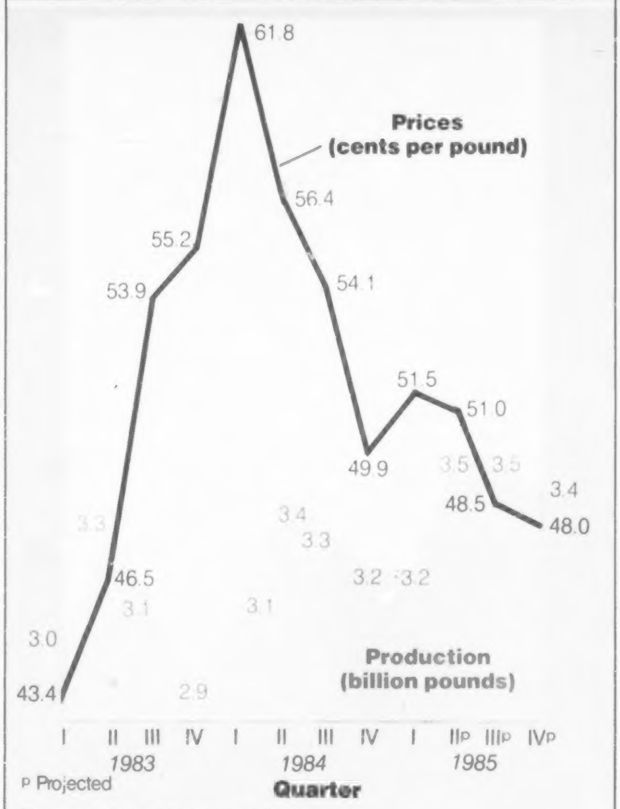
*The information used in this report is the most recent data available in August 1985. Because of the unpredictable nature of the farm industry, however, the outlook for these commodities may change. For updated information contact NRA's research department by writing 311 First St. N.W., Washington, DC 20001 or calling (202) 638-6100.

Beef production and prices 1983 through 1985p



Source: U.S. Department of Agriculture

Poultry production and prices 1983 through 1985p



Source: U.S. Department of Agriculture

between October and December). For the year, beef supplies should reach 23.2 billion pounds—down 1.1 percent from 1984.

Despite reduced beef production in the second half of 1985, beef prices are expected to decline a significant 10 percent during this period because of low feed and production costs. Between July and September, the price for choice steers at Omaha should average $54.50 per cwt., down a substantial 15.2 percent from the $64.28 posted in the third quarter of 1984. During the last three months of the year, beef prices should average $60.50 per cwt.—down 4.7 percent from $63.49 per cwt. in the same period last year. Overall, beef prices should average $58.72 per cwt. in 1985, a 10.1 percent drop from $65.34 per cwt. in 1984.

Looking ahead to 1986, restaurateurs can expect total beef production to fall between four and six percent overall, according to USDA Economist John Nalivka. More lightweight cattle and lower grain prices will help place cattle in feedlots, but fewer marketings should keep production down. During the first half of the year, production may decline five to six percent, and in the second half of 1986, supplies are projected to drop nine to 11 percent. The price for choice steers at Omaha should strengthen to around $65 per cwt. next year—up about 10.7 percent from 1985.

Pork production up . . .

Due to poor producer returns and financial stress, pork producers are reducing herds and farrowing intentions in order to raise money to pay debts and meet operating expenses. As a result, production in the third quarter should total 3.4 billion pounds—up 1.3 percent from the same period last year. In the last three months of 1985, pork supplies will reach 3.8 billion pounds. However, this is below the 4.0 billion pounds recorded in the fourth quarter of 1984. Total pork production is expected to reach 14.6 billion pounds in 1985 versus 14.7 billion pounds in 1984.

As pork production increases, prices will fall. Also, low corn costs and expanding poultry production (which may influence many consumers to switch away from pork) will put downward pressure on prices. In the third quarter, prices should average $48 per cwt.—down 6.3 percent from $51.21 per cwt. posted between July and September in 1984. Fourth quarter prices will also decline, but at a less rapid pace. Between October and December pork prices will dip 1.4 percent to $47 per cwt. from $47.65 in the fourth quarter of 1984. Over the year, prices will average $46.35 per cwt. compared with $48.86 per cwt. in 1984—a 5.2 percent decline.

In 1986, pork production is forecast to decline through the first half of the year as a result of reduced

Percent change in wholesale commodity prices
(1977 to [illegible] 1985)

	1977 to 1978	1978 to 1979	1979 to 1980	1980 to 1981	1981 to 1982	1982 to 1983	1983 to 1984	7 mos. 1984 to 7 mos. 1985
Bakery products	7.8%	10.0%	11.7%	8.3%	3.3%	3.2%	4.8%	4.6%
Flour & cereal	13.1	12.4	12.3	−7.0	−5.3	1.1	1.8	1.1
Beef & veal	28.4	24.7	3.2	−5.0	−0.8	−3.3	nc	−8.3
Other meats	16.7	−2.8	−2.7	7.6	16.9	−8.7	−0.4	1.9
Poultry & eggs	8.1	0.7	1.0	2.4	−6.7	3.2	12.0	−15.3
Fish & shellfish	6.4	22.6	−3.2	1.8	11.8	6.3	11.5	1.0
Sugar & sweets	6.6	6.9	35.4	−2.9	−2.6	5.0	2.4	−0.9
Vegetables	6.0	2.0	7.5	22.6	−4.4	1.2	8.4	−7.7
Fruits & juices	17.6	8.7	4.2	4.1	2.9	2.9	6.6	7.1
Beverages	−8.6	0.8	0.8	−2.3	4.5	1.3	5.2	3.1
Dairy products	8.6	12.1	12.1	6.4	1.3	0.6	3.6	1.0
Fats & oils	6.1	6.4	6.4	2.1	−1.4	8.8	4.8	0.5
NRA Food Cost Index	**11.2%**	**12.2%**	**5.0%**	**3.0%**	**2.5%**	**0.7%**	**5.0%**	**−2.3%**
All Food, Producer Price Index[1]	**10.5%**	**9.5%**	**8.0%**	**3.1%**	**1.1%**	**1.1%**	**4.8%**	**−1.4%**

[1] Includes all processed foods (except soft drinks, alcoholic beverages and animal feeds) plus eggs and fresh and dried fruits and vegetables.

Sources: *Producer Price Index*, Bureau of Labor Statistics; NRA.

herds. First-quarter production is expected to fall between two and four percent, and second-quarter supplies may be down four to six percent. As the second half of the year approaches, production should edge up somewhat, remaining stable in the third quarter and then rising two to three percent in the fourth period. For the year, pork production should reach 14.4 billion pounds, down 1.4 percent from 14.6 billion pounds in 1985.

Demand increases broiler output . . .

Thanks to increasing demand for poultry products and low production costs, broiler supplies should increase six percent during the last six months of the year, compared with the same period in 1984. During the third-quarter, production is expected to total 3.5 billion pounds—well above the 3.3 billion pounds posted in the third quarter in 1984. Fourth-quarter supplies are projected to advance 6.3 percent to 3.4 billion pounds from 3.2 billion pounds in the final quarter of 1984. For the year, production should climb 5.4 percent to 13.7 billion pounds. Last year's production was 13.0 billion pounds.

Broiler prices, as a result of stepped up production and low feed costs, should fall 7.2 percent between July and December versus the same period last year. Third-quarter prices will range between 47 and 50 cents a pound, approximately 10.2 percent below 1984's third-quarter level of 54 cents a pound. From October to December, broiler prices are expected to average 48 cents a pound, down four percent from 50 cents a pound in the fourth quarter of 1984. On a yearly basis, broiler prices are projected to average 50 cents a pound—a 10.7 percent decline from 56 cents a pound in 1984.

In 1986, broiler supplies should continue to increase, up 5.1 percent to 14.4 billion pounds from 13.7 billion pounds in 1985. In addition, prices will range from 47 to 53 cents a pound, compared with an average of 50 cents a pound this year.

Egg production drops . . .

Egg production has recovered from last year's outbreak of the avian flu. In fact, producers are now selling their older, less productive hens in order to reduce supplies. Additionally, there are fewer replacement pullets than last year, so production is expected to dip 1.2 percent in the second half of the year. Third-quarter production is forecast to total 1.4 billion dozen, down 1.2 percent from one year earlier. Egg supplies should advance by another 1.4 billion dozen between October and December, somewhat below the 1.5 billion dozen eggs produced in the fourth quarter last year. Overall production is expected to be 5.7 billion dozen in 1985, even with the prior year.

Even though egg supplies will be reduced in the second half of the year, prices are expected to decline, largely because of low production costs. Prices in the third quarter will average 64 cents a dozen, down 8.6 percent from 70 cents a dozen in the third quarter of last year. Fourth-quarter egg prices are expected to decline at a slower 1.9 percent rate, to average 68 cents a dozen. Over the year, egg prices should tumble a substantial 22.2 percent to 63 cents a dozen from 81 cents a dozen in 1984.

In 1986, egg production will continue to slip, according to USDA Economist Alan Baker. Supplies should dip to 5.6 billion dozen, down 1.8 percent from 1985's expected production of 5.7 billion dozen. As a result of the lower production, egg prices will rise next year and range from 67 to 73 cents a dozen. This is somewhat stronger than the average 63 cents a dozen projected for 1985.

Dairy prices fall . . .

Now that the Dairy Diversion Program has ended, milk producers have begun to step up production. Farmers continue to add cows to their herds and output per cow has improved. In the third quarter, milk supplies should hit 35.7 billion pounds, up 6.6 percent from 33.5 billion pounds in the same quarter last year. Between October and December, production should also rise, advancing 6.5 percent to 34.5 billion pounds, from 32.4 billion pounds in the fourth quarter of 1984. Over the twelve months ending in December, milk supplies are expected to advance 4.1 percent—from 135.4 billion pounds in 1984 to 141 billion pounds.

As milk production continues to increase, prices will fall. Additionally, dairy price supports have been reduced, which will also put downward pressure on milk prices. During the third quarter, milk prices should drop 7.6 percent versus the same period last year. They should average $12.20 per cwt. In the fourth quarter, milk prices will fall an even greater 10.1 percent to $12.70 per cwt. from $14.13 per cwt. in the last quarter of 1984. Overall, dairy prices will average $12.77 per cwt. in 1986, down 4.8 percent from $13.42 per cwt. in 1985.

So far all indicators suggest that milk production will continue to expand in 1986. Supplies should increase two to three percent as producers add to their herds. Also, low feed prices will have a positive effect on milk supplies. In the first three months of 1986, supplies should reach 35.4 billion pounds, an advance of 5.3 percent from the first quarter of 1985. Prices during this quarter are expected to average $12.65 per cwt, down 7.5 percent from $13.67. —*Susan Adelman*

Breakfast wakes up sales

This article highlights aspects of the booming breakfast market.

Breakfast is waking up sales in the restaurant industry. The morning meal is growing faster than the restaurant industry overall and is also outshining both lunch and dinner performance. According to CREST's *Family Report*, breakfast traffic increased a whopping 45.7 percent between 1978 and 1984, compared with a lower 6.3 percent advance in total restaurant traffic. In addition, for that six-year period, traffic gains during breakfast were more than double the 14.8 percent traffic increase recorded for dinner and were substantially higher than the 2.5 percent traffic increase for lunch.

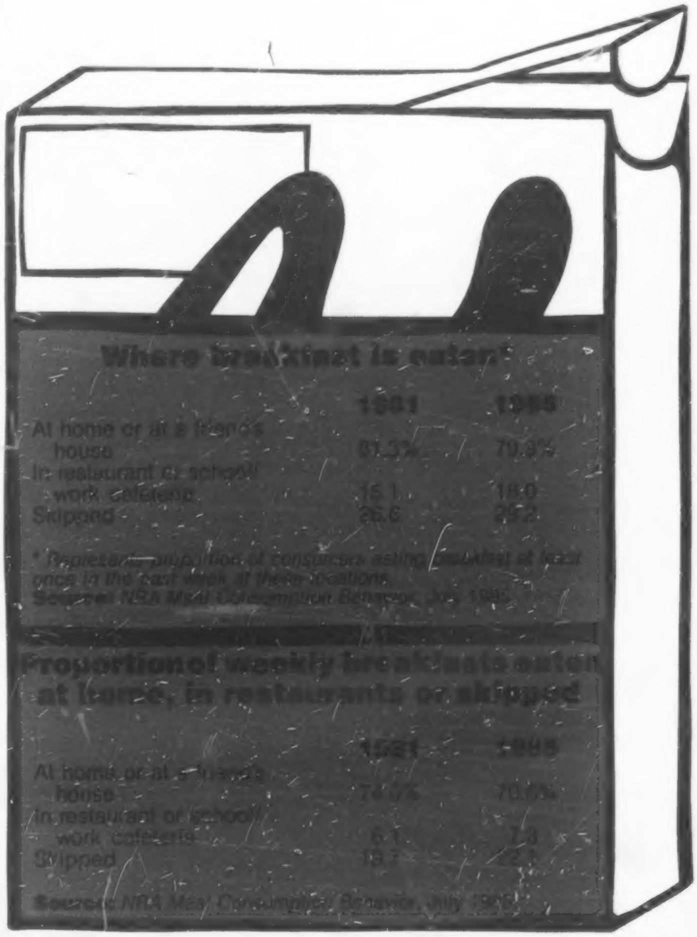
Breakfast is also commanding a greater proportion of total industry traffic. In 1978, 6.4 percent of overall industry traffic occurred at breakfast. By 1984, this proportion had advanced to 8.7 percent. In addition, more consumers are eating out for breakfast. The number of families eating the morning meal away from home has increased 34.0 percent since 1978. And they are also eating breakfast out more often. The average number of times families ate breakfast away from home increased 44.0 percent between 1978 and 1984.

Furthermore, breakfast sales are increasing at a faster rate than overall industry sales as well as sales for both lunch and dinner. Between 1978 and 1984, breakfast sales jumped 105.0 percent while total restaurant sales increased a lower 62.0 percent. Lunch and dinner sales lagged behind breakfast gains, increasing 59.0 percent and 67.3 percent, respectively. Because of such large breakfast sales advances, the proportion of total industry sales captured by the breakfast period has also risen, from 4.8 percent in 1978 to 6.1 percent in 1984.

How often do consumers eat breakfast out? . . .

Eighteen percent of consumers surveyed in NRA's 1985 *Meal Consumption Behavior* study reported eating breakfast out at least once during the one-week survey period. This proportion is up from 1981 when a lower 15.1 percent of those surveyed stated they ate breakfast away from home at least once in seven days.

Statistics from the *Meal Consumption Behavior* study reveal that breakfast away from home is gaining most of its market share from those who would have eaten the morning meal at home. Nonetheless, consumers continue to eat breakfast at home or at a friend's house more often than they do in restaurants.



Where breakfast is eaten*

	1981	1985
At home or at a friend's house	81.3%	70.9%
In restaurant or school/work cafeteria	15.1	18.0
Skipped	26.6	29.2

* *Represents proportion of consumers eating breakfast at least once in the past week at these locations.*
Source: *NRA Meal Consumption Behavior, July 1985.*

Proportion of weekly breakfasts eaten at home, in restaurants or skipped

	1981	1985
At home or at a friend's house	74.2%	70.6%
In restaurant or school/work cafeteria	6.1	7.3
Skipped	19.7	22.1

Source: *NRA Meal Consumption Behavior, July 1985.*

but the proportion fell from 81.3 percent in 1981 to 79.9 percent in 1985.

Despite nutritionists' advice to the contrary, consumers tend to skip the morning meal more often than either lunch or dinner. In 1985, nearly one-third (29.2 percent) of those surveyed reported skipping breakfast at least once during the past week. This is up from 1981's 26.6 percent. A lower 17.5 percent skipped lunch at least once, and less than one out of 10 consumers stated that they skipped dinner at least once in the seven days prior to the survey. These skipped breakfasts represent a possible target market for the breakfast business.

Who eats breakfast out? . . .

According to NRA's *Meal Consumption Behavior*, approximately two out of 10 (18.0 percent) consumers surveyed ate breakfast that was prepared in a restaurant or school/work cafeteria.

However, certain consumer groups are more likely to go out for breakfast than others. For example, men tend to eat breakfast out more frequently than do women. Twenty-one percent of the men surveyed reported eating breakfast out at least once in the week prior to the 1985 survey, compared with a lower 15.9 percent of women.

Working women also represent frequent away-from-home breakfast patrons. Two out of 10 women who work either full-time or part-time reported eating the morning meal away from home at least once during the seven-day survey period. In comparison, a lower 13.7 percent of nonworking women ate breakfast away from home at least once.

Working women are frequent breakfast skippers, too. One-third of the working women surveyed reported skipping breakfast at least once, compared with a lower two out of 10 non-employed women.

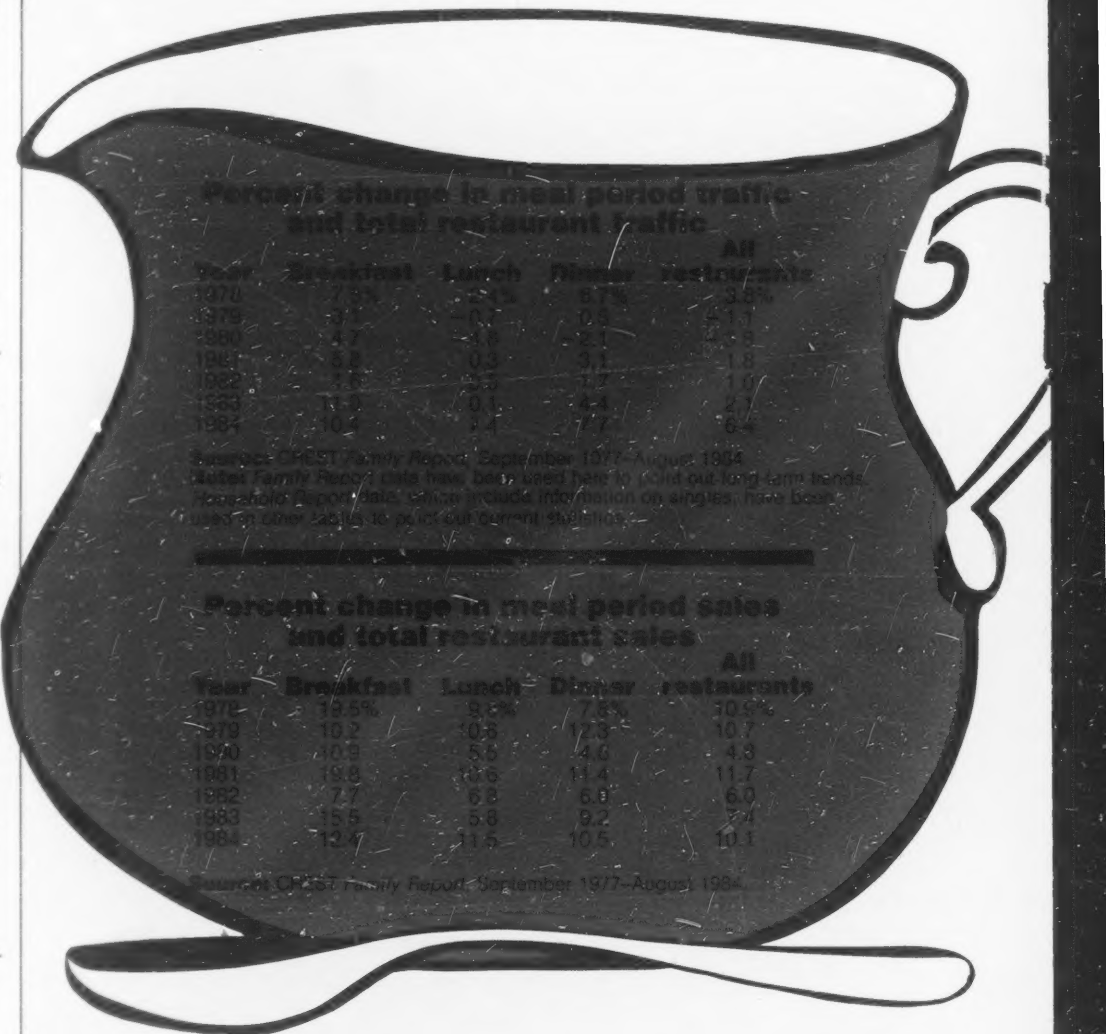
Adults between the ages of 25 and 44 eat breakfast away from home more frequently than do other age groups. Approximately one in four of those individuals surveyed reported eating breakfast out at least once in the week prior to the survey. On the other hand, senior citizens eat breakfast away from home less often. Less than one in 10 individuals 65 years old and over reported eating breakfast away from home at least once during the seven-day survey period.

Consumers from upper income households frequently eat breakfast out—more so than do individuals from households with lower incomes. Two out of 10 consumers (21 percent) from households with annual incomes in excess of $35,000 reported eating breakfast out at least once in the survey period, compared with a lower 13.5 percent of individuals from households with incomes under $10,000.

Singles are an important target market for breakfast away-from-home business not only because they eat breakfast out more often than do other household groups but also because they skip breakfast more often. In 1985, one out of four singles reported consuming breakfast in restaurants or school/work cafeterias at least once during the seven-day survey period, and more than one-third (36.4 percent) skipped the morning meal at least once.

Where do consumers eat breakfast? . . .

According to CREST's 1984 *Household Report*, more people eat breakfast



Percent change in meal period traffic and total restaurant traffic

Year	Breakfast	Lunch	Dinner	All restaurants
1978	7.5%	2.4%	6.7%	3.8%
1979	3.1	−0.7	0.6	−1.1
1980	4.7	−4.6	−2.1	−3.6
1981	6.2	0.3	3.1	1.8
1982	1.6	3.5	1.7	1.0
1983	11.0	0.1	4.4	2.1
1984	10.4	1.4	7.7	6.4

Sources: CREST *Family Report*, September 1977–August 1984
Note: *Family Report* data have been used here to point out long-term trends. *Household Report* data, which include information on singles, have been used in other tables to point out current statistics.

Percent change in meal period sales and total restaurant sales

Year	Breakfast	Lunch	Dinner	All restaurants
1978	19.5%	9.8%	7.8%	10.9%
1979	10.2	10.6	12.3	10.7
1980	10.9	5.5	4.6	4.8
1981	19.8	10.6	11.4	11.7
1982	7.7	6.8	6.0	6.0
1983	15.5	5.8	9.2	7.4
1984	12.4	11.5	10.5	10.1

Source: CREST *Family Report*, September 1977–August 1984.

Breakfast sales and traffic by restaurant type

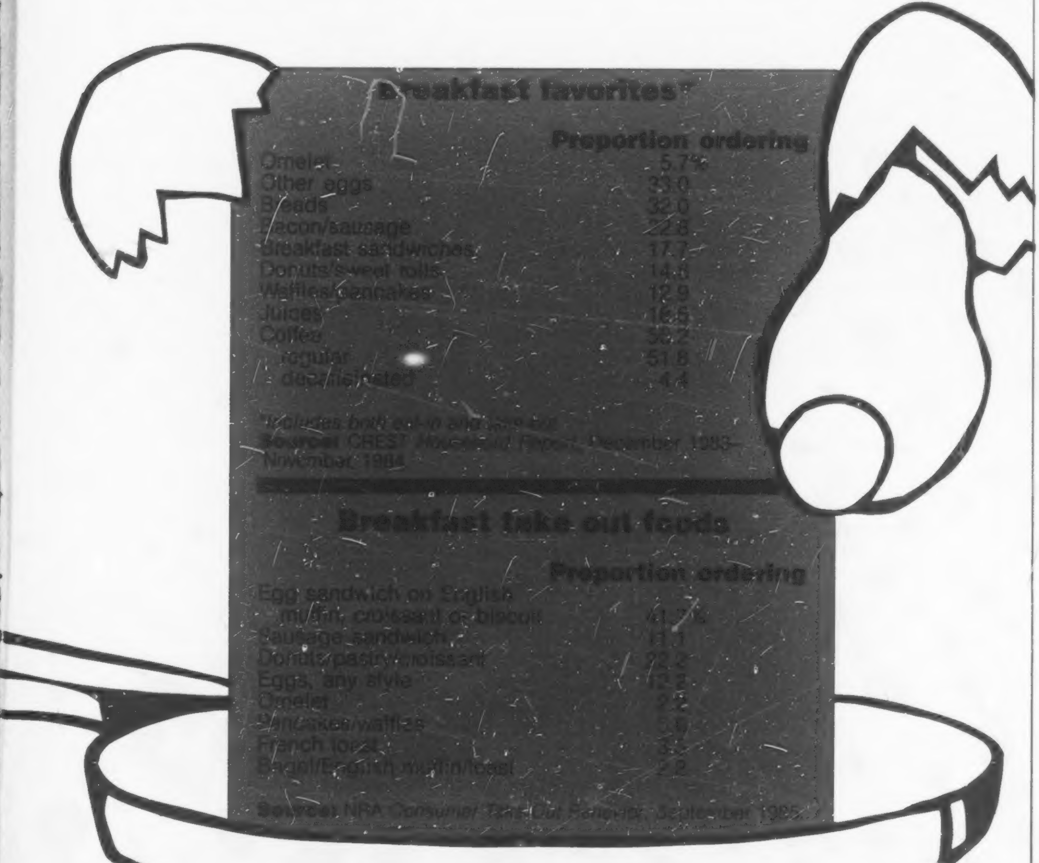
	Traffic	Sales
Quick-service	48.5%	33.7%
Midscale	44.9	54.5
Upscale	6.6	11.7

Source: CREST *Household Report*, December 1983–November 1984

at quick-service restaurants than at midscale or upscale establishments. In fact, quick-service places have been increasing their share of the breakfast market during the past few years as more and more fast feeders offer breakfast. Quick-service restaurants, which include fast food places, captured almost half (48.5 percent) of overall industry breakfast traffic in 1984 and one-third (33.7 percent) of total breakfast sales. In 1982, their share of breakfast traffic was a lower 46.6 percent, and they accounted for 31.0 percent of morning meal sales. Recent rises in traffic and sales, especially the 12.0 percent gain in customer counts and the 17.1 percent increase in sales in 1984, have helped these fast service restaurants obtain more of the breakfast market.

Over half the quick-service breakfast business occurred at hamburger restaurants. Breakfast sales at hamburger restaurants captured a whopping 59.0 percent of total quick-service restaurant breakfast sales in 1984 and represented 55.0 percent of total quick-service breakfast traffic. The popularity of the breakfast sandwich as well as the growing number of hamburger fast food restaurants serving breakfast are two factors behind this sector's growth.

Midscale restaurants also represent a large proportion of the foodservice industry breakfast business although their share is declining slightly. Breakfast traffic at midscale restaurants represented approximately 45.0 percent of overall industry breakfast traffic last year. In addition, midscale restau-



Breakfast favorites*

	Proportion ordering
Omelet	5.7%
Other eggs	33.0
Breads	32.0
Bacon/sausage	22.8
Breakfast sandwiches	17.7
Donuts/sweet rolls	14.8
Waffles/pancakes	12.9
Juices	16.5
Coffee	56.2
regular	51.8
decaffeinated	4.4

*Includes both eat-in and take out

Source: CREST *Household Report*, December 1983–November 1984

Breakfast take out foods

	Proportion ordering
Egg sandwich on English muffin, croissant or biscuit	41.7%
Sausage sandwich	11.1
Donuts/pastry/croissant	22.2
Eggs, any style	13.2
Omelet	2.2
Pancakes/waffles	5.6
French toast	3.3
Bagel/English muffin/toast	2.2

Source: NRA *Consumer Take-Out Reports*, September 1985

Breakfast highlights

Why breakfast is hot

Here are a few factors pointing to the increasing popularity of the breakfast meal:

- Breakfast is outpacing total industry growth as well as growth for lunch and dinner meal periods.
- More people are eating breakfast out than ever before. This includes singles and working women, two groups which are expected to expand in the future.
- Quick-service restaurants are capitalizing on the need for fast, convenient breakfasts. This is evident in the growing popularity of breakfast sandwiches.
- Midscale restaurants are very appealing to families and the weekend breakfast patron.
- Upscale restaurants are popular choices for business breakfasts and weekend brunches.
- Singles and working women are prime target markets for the breakfast business. These groups not only eat breakfast out more often, but they also skip breakfast more frequently than other groups.
- Take-out breakfast is a popular alternative for consumers who do not have the time to prepare breakfast at home.

rant breakfast sales accounted for over half (54.8 percent) of total restaurant breakfast sales in 1984. In comparison, the respective shares of traffic and sales in 1982 were 47.4 percent and 57.4 percent. In 1984 this segment posted breakfast sales and traffic gains of 10.1 percent and 7.0 percent, respectively.

In 1984, family-style restaurants commanded a large share of the midscale restaurant segment's breakfast business: 13 percent of overall breakfast traffic and almost one-third of total breakfast sales.

The upscale segment captured a smaller slice of the total industry breakfast market. This segment made an especially strong showing in 1984. Breakfast traffic increased 15.0 percent over 1983 levels and accounted for 6.4 percent of overall industry breakfast occasions. In addition, upscale breakfast sales jumped 21.5 percent in 1984, bringing its share of total restaurant breakfast sales to 11.7 percent. In 1982, upscale breakfast traffic and sales were a slightly smaller 6.2 percent and 11.5 percent, respectively.

A large proportion of the upscale segment breakfast business occurs in hotel restaurants. Upscale hotel breakfast traffic represented almost 25.0 percent of all upscale breakfast occasions in 1984. And upscale hotel dining rooms accounted for more than half (57.5 percent) of total breakfast sales at all upscale establishments. Business travelers and breakfast business meetings helped boost sales in this segment.

Regional breakfast favorites

Region	Breakfast favorites
New England	Donuts/sweet rolls Cold cereals Juices French toast
Mid-Atlantic	French toast Omelet Juices
East North Central	French toast Bacon/sausage Cold cereals
West North Central	Pancakes/waffles Donuts/sweet rolls
South Atlantic	Breakfast sandwiches Breads Juices
East South Central	Breakfast sandwiches Breads Bacon/sausage
West South Central	Cold cereals Breads
Mountain	Pancakes/waffles Omelet Other eggs French toast
Pacific	Omelet Cold cereals Donuts/sweet rolls

Source: CREST, *NPD Research* 1985.

Breakfast to go . . .

More restaurant breakfasts are eaten inside the establishment than are purchased for take out. According to CREST's 1984 *Household Report*, seven out of 10 breakfasts were eaten inside the restaurant, compared with a lower one out of four breakfasts which were eaten either at work, in the car or at home.

However, a fair number of consumers enjoy the convenience of a take out breakfast. A recent NRA take-out survey revealed that two out of 10 consumers purchased take out food for breakfast at least once a month. Of those consumers surveyed who had purchased a recent breakfast for take out, four out of 10 cited lack of time and convenience as the major reason for purchasing breakfast-to-go.

When questioned what they would have done if breakfast take-out were not available, six out of 10 consumers surveyed in NRA's take-out study replied they would have either eaten breakfast at home or would have skipped the morning meal entirely. This suggests that more consumers perceive take-out breakfast as an alternative to eating at home, and a smaller proportion regard it as an alternative to eating at the restaurant.

The most popular breakfast foods . . .

Eggs take the lead in breakfast foods. According to the CREST *Household Report*, in 1984 almost five out of 10 consumers ordered eggs or omelets for breakfast. Breakfast sandwiches, many of which contain eggs, are also big sellers—nearly two out of 10 (18.0 percent) people ordered this item for breakfast. Donuts and sweet rolls were ordered by 15.0 percent of all breakfast patrons, and waffles and pancakes represented 13.0 percent of all breakfast items eaten by consumers in 1984.

However, consumer preferences for particular breakfast items vary by region of the country. For example, Midwesterners prefer French toast, pancakes and waffles for breakfast. People in the South like to start their day with a breakfast sandwich and bacon or sausage. Easterners like donuts and sweet rolls as well as omelets for their morning eye-opener. Consumers on the West Coast also prefer omelets but lean toward cold cereal as well.

Three out of four take-out patrons reported ordering some type of breakfast sandwich or pastry to go.

Juice and coffee are popular breakfast beverages. One out of two consumers drinks coffee, regular or decaffeinated, and two out of 10 drink fruit juices.

Popular days for breakfast . . .

More consumers eat breakfast out on the weekend than during the week. Almost half (46.6 percent) of total restaurant breakfasts are eaten on the weekend, according to CREST's 1984 *Household Report*.

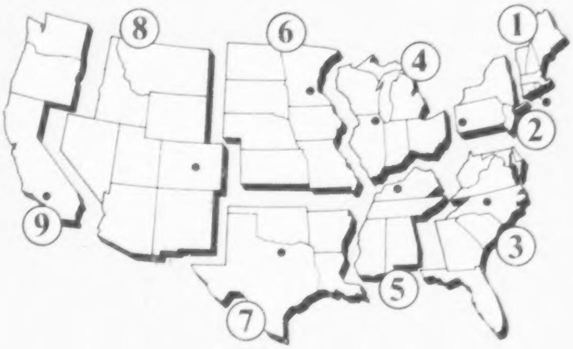
Consumers are less likely to eat breakfast away from home during the week because they may feel they do not have enough time to do so. On average, each day of the work week (Monday through Friday) captures 11.0 percent of total industry breakfast traffic and represents 10.0 percent of overall restaurant breakfast sales. By offering quick, convenient breakfast choices, restaurateurs can capture more of this potential market.

—Sallie Adams

How's business?

by Cecelia Niepold

Restaurateurs add drama to their establishments in many ways. Some, such as dinner theaters and museum restaurants, are directly involved with the arts. Others reflect their artistic proclivities in their atmosphere and promotional activities.



①

NEW ENGLAND

Location: Greenwich, CT
NRA member: Joseph Keating
Operation: Showboat Inn
Profile: Hotel and restaurant operation
In business: 22 years
Seats: 300
Meals served: Breakfast, lunch, dinner

"Although it is generally slow after Labor Day, business is pretty good," says **Ida Brady,** assistant at the Showboat Inn. The complex, the only hotel/ restaurant operation in town, is located on the harbor in Greenwich.

The inn offers customers a dining potpourri: the main dining room, which features a New Orleans atmosphere and seafood specialties; an authentic paddleboat; and a yacht, once owned by U.S. President John Kennedy. *The President*, as the yacht is called, is frequently chartered for meetings or private parties.

Customers can also charter a double-deck bus. The restaurant often rents the bus to groups going to the theater or sporting events.

②

MIDDLE ATLANTIC

Location: Pittsburgh, PA
NRA member: L.D. Brady

LAWRENCE'S
RESTAURANT

Operation: Lawrence's Restaurant
Profile: Fullservice restaurant
In business: 5 years
Seats: 90
Meals served: Lunch, dinner

"Business has been fair, but we're holding our own," says **L. D. Brady,** owner of Lawrence's Restaurant. Pittsburgh is experiencing a restaurant boom, and competition has increased significantly.

Located in the heart of the downtown district, Lawrence's is directly across from Heinz Hall, Pittsburgh's premier theater. The restaurant caters to the theater crowd, offering three seatings each night— pretheater, leisurely (for nontheater attendees) and aftertheater. The first two seatings feature elegant seven-course dinners, while the late night menu offers appetizers and light fare. Graceful touches, such as elegant crystal and china and waiters in tuxedos and red bow ties, add to the comfortably formal atmosphere.

Designed to echo the theater's ambiance, the decor includes similar brass chandeliers, large mirrors and rich red and brown accents.

Lawrence's newsletter also reflects the restaurant's close association with the theater and includes a calendar of upcoming events at Heinz Hall. The newsletter spotlights Lawrence's special services such as catering, tabletop telephone service (for business meetings) and its nutritional menu (awarded the American Heart Association's stamp of approval) which features entrees with low calories, sodium and cholesterol.

③

SOUTH ATLANTIC

Location: Greensboro, NC
NRA member: Tom Hennis
Operation: Barn Dinner Theatre
In business: 23 years
Seats: 300
Meals served: Dinner

"Business has been slow," says **Phil Bray,** marketing director at the Barn Dinner Theater. Bray attributes some of the slowdown to summer vacations and an increase in home entertainment such as VCRs.

The operation, one of the oldest dinner theaters in the country, features Broadway and Off-Broadway shows. The buffet menu changes with each show and is designed to reflect each production's theme or ambiance. For instance, during "Oklahoma" the menu included barbecued ribs, coleslaw and hearty rolls.

Built to look like a barn, the theater has a comfortable country atmosphere. The stage is in the center of the establishment. It descends from the ceiling for dramatic entrances and exits.

④

EAST NORTH CENTRAL

Location: Chicago, IL
NRA member: Saul Lule
Operation: Theatre Cafe
Profile: Fullservice restaurant
In business: 9 years
Seats: 92
Meals served: Breakfast, lunch, dinner

"Business is down about 30 percent from last year," says **Saul Lule,** manager of the Theatre Cafe. Located in Chicago's Water Tower shopping complex next to a movie theater, the restaurant caters primarily to movie patrons and shoppers. Lule is not sure why business is slow but attributes some of the downturn to below average movie business traffic.

The restaurant specializes in sandwiches and desserts—well-suited for movie patrons or shoppers on-the-go. The atmosphere is relaxed with comfortable booths and natural woodwork. Lule is particularly proud of his smoking and non-smoking sections and has received many positive comments about this courtesy arrangement.

5

EAST SOUTH CENTRAL

Location: Louisville, KY
NRA member: Luckett Davidson
Operation: Twenty Four Carrots Corporation
Profile: Three fullservice restaurants
In business: 9 years
Seats: average, 90
Meals served: Lunch, dinner

According to co-owner **Luckett Davidson,** business is going well for the Twenty Four Carrots Corporation, which owns three restaurants in Louisville—two in museums and one in a theater.

Each establishment has its own special personality, reflecting its individual location. Cafe Musee, located in the J.B. Speed Art Museum, looks out on a sculpture garden and features artwork by regional artists. Showings change regularly, and the menu often reflects the different exhibits. The restaurant also caters special events. It recently designed an Elizabethan menu to complement an Elizabethan fair on the museum's lawn.

The second museum eatery, The Stallion Stakes, is housed in the Kentucky Derby Museum. Due to a large tourist clientele, the menu features "a taste of Kentucky," including regional favorites, such as mint juleps and Kentucky country ham.

Downstairs at Actor's is located in Louisville's Actor's Theater. The restaurant caters to theater-goers and offers just one seating each night. The menu changes with each production, and the artwork is rotated periodically.

6

WEST NORTH CENTRAL

Location: Minneapolis, MN
NRA member: Stan Hall
Operation: Emporium of Jazz/Mariner
Profile: Restaurant with jazz entertainment
In business: 13 years
Seats: 260
Meals served: Lunch, dinner

"Business is pretty good—not super—but it seems to be improving," says **Stan Hall,** co-owner of the Emporium of Jazz/Mariner. The local economy seems to be picking up as well.

Hall entered the restaurant business as an outgrowth of his first career—The Hall Brothers Jazz Band. He and his seven-member group have been playing traditional jazz for more than 25 years. Today the band plays in the restaurant every weekend.

The live jazz, complemented by a Cajun creole menu, gives the establishment a lively New Orleans atmosphere. Large pictures of jazz musicians add to the ambiance.

7

WEST SOUTH CENTRAL

Location: Dallas, TX
NRA member: Rick Henderson
Operation: Strictly Tabu
Profile: Restaurant and jazz club
In business: 38 years
Seats: 300
Meals served: Dinner

"Sales are up from last year," says **Jim Mann,** assistant manager at Strictly Tabu. A rising number of jazz clubs is boosting competition, but it is also increasing the concept's acceptance.

Serving a full Italian menu, the establishment also offers a broad range of jazz-oriented entertainment. Many diners come in for dinner and stay for the show. "We're half food, half music," says Mann.

The decor reflects an early art deco influence, featuring large murals that range from jazz players to groups of flamingos. The atmosphere is comfortably intimate, enhanced by the close seating arrangement.

8

MOUNTAIN

Location: Englewood, CO
NRA member: Sam Newton
Operation: Country Dinner Playhouse
Profile: Dinner theater
In business: 15 years
Seats: 481
Meals served: Dinner

"Business has been pretty good, probably about the same as last year," says **David Lovinggood,** manager of the Country Dinner Playhouse. Located outside of Denver, the theater features a "country Victorian" atmosphere with turn-of-the-century accents.

The theater offers an extensive buffet including three main dishes, fresh vegetables, salads and several desserts. The menu highlights seasonal items and changes with each new production.

The theater has developed an innovative apprentice program for rising young stars. Hired through auditions, the Barnstormers work as cocktail staff and also perform 15-minute revues before every show. Sometimes the apprentices win small roles in productions and serve patrons in costume.

9

PACIFIC

Location: Beverly Hill, CA
NRA members: Horatio Lonsdale-Hands and Arthur von Wiesenberger
Operation: Nippers
Profile: Two fullservice restaurants
In business: 3 ½ years
Seats: 100 and 200
Meals served: Dinner

"Business is up 65 percent from last year, and we often have lines of people waiting outside," says **Horatio Lonsdale-Hands,** co-owner of Nippers. With two locations currently open, the partners plan to open 10 more establishments across the country and in Europe.

The partners attribute their success to a unique ambiance and an unusual menu. The sleek, modern European decor showcases artwork and sculpture, which change periodically. Live disco adds a festive flavor.

The menu gives the restaurant a sophisticated, offbeat flair. More than 100 kinds of champagne (five by the glass), caviar, foie gras and rich desserts are offered.

FOOD FOR THOUGHT

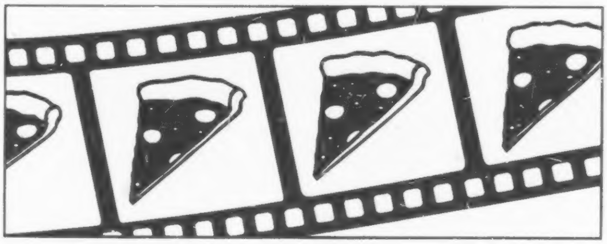
Lights! Camera! Indigestion!

The next time you see the characters on *Dynasty* or *Dallas* sitting down to tables piled with exotic foods, don't envy them. The caviar Alexis is about to sample is probably liver or chopped olives. The orange sherbet that Sue Ellen is spoon-feeding to John Ross might actually be pureed carrots. And that luscious ice cream sundae that Blake and Krystle are sharing could well be mashed potatoes topped with shaving cream.

For television producers, food served on camera is a logistical nightmare. "You're working with hot plates and toaster ovens," complains one. "You don't have the facilities to cook, particularly on location."

The constant hot lights of the studio and the need for many re-takes with the same food item are other problems. So producers are forced to make do with ingredients that will look good under adverse conditions—no matter how they taste.

—*American Way Magazine*



Pizza and movies to go

At Entertainment to Go, a pizza restaurant in Detroit, MI, pizza with all the extras means more than just anchovies, sausage, pepperoni and extra cheese. It means a movie on videocassette as well—and a video recorder, too, if customers don't have one of their own.

David Kolodziej, owner of Entertainment to Go, began offering movie and recorder rentals with his take-out/delivery pizza service because, he says, "Pizza is a form of entertainment. Pizza plus movies are the perfect combination." The most popular pizza he sells? Deep dish cheese. The most popular movies? *Smokey and the Bandit*, *Porky's* and *The Jerk*.

—*USA Today*

It doesn't only happen in the movies

For the past year Dave Fitzgerald, a waiter at The American Cafe in Washington, DC, has been decorating the restaurant's menu chalkboard with elaborate, colorful chalk drawings. A few months ago movie producer John Simmons came into the restaurant to dine, spotted Fitzgerald's drawings and hired the struggling artist on the spot to illustrate the poster for his next production, *Andersonville*, to be directed by Stanley Kramer *(The Caine Mutiny, Guess Who's Coming to Dinner)*.

"It's been good," the artist said of the recognition and praise he has received for his menu illustrations. "I've gotten a couple of additional jobs out of this."

—*City Paper*

Mood music spurs sales

According to a recent Gallup survey, 73 percent of restaurant customers say audible music has an effect on their dining-out experience, primarily in setting a mood. Forty percent say foreground music (as opposed to barely audible background music) has some effect on their decision to dine at a particular place, while three percent say music makes it easier to spend money at a restaurant.

—*American Express*

Fit for a king

What kind of food should be prepared when a king is coming to dinner—not to mention 600 of his friends and associates?

The J.W. Marriott Hotel, located in Washington, DC, faced this challenge when King Fahd of Saudi Arabia selected the hotel as the site of his official state dinner during a recent visit to the United States. In preparation for the event, the hotel's reception area was decorated with palm trees and fountains, creating a mini-oasis. A 3,800-pound ice sculpture in the shape of a ship stood in the center, with a gold and green flag—official Saudi colors—attached to the sail.

And the food? The hotel's cooking staff prepared 62 pounds of beluga caviar, sauteed veal with morel sauce, hand-carved imported vegetables (two staff people spent 22 hours carving tomatoes to create a rose effect), potatoes bearnaise and strawberry mousse topped with the Saudi emblem made of marzipan. Saudi delicacies were available as well.

By all reports, the King and his guests were delighted with the feast.

—*The Billett Group*

We know all about your customers...

NRA's Research Department is constantly surveying and studying restaurant customers—analyzing who eats what, where, when and why. Through these studies, NRA knows all about your customers and would like to pass the information along to you.

NRA publications serve as excellent reference sources whether you are developing a new marketing plan, analyzing a new location or trying to solve lagging traffic problems.

Consumer Restaurant Behavior: A View Based on Occasion Segmentation

This report studies where restaurant customers eat out for different occasions--a family meal, lunch with a client, a celebration, dinner with friends. It provides insight into the reasons patrons visit particular restaurants and what restaurant characteristics are associated with these visits. Specific restaurant characteristics and average check sizes for each of these occasions are identified. You will find out how demographic groups differ in their decision of where to eat out.

CS982, 74 pgs., soft-cover book, 1984, $25 NRA members, $50 non-members

Consumer Preferences for Ethnic Food in Restaurants

This NRA consumer research study explores the popularity of various ethnic foods, the frequency of ordering such foods in restaurants and the likelihood of ordering the food again. Seventeen ethnic food groups are included, ranging from Italian, Mexican and Japanese to British, Russian and Middle Eastern.

CS980, 86 pgs., soft-cover book, 1984, $15 NRA members, $30 non-members

Consumer Expectations with Regard to Dining Out

Available for Fast Food Restaurants, Family Restaurants and Atmosphere Restaurants

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